## Websites and Links

Use this link to log into the Dealer System: <a href="https://mysdcars.sd.gov">https://mysdcars.sd.gov</a>

Use this link to browse the various types of license plates available for licensed dealers to purchase:

http://dor.sd.gov/Motor Vehicles/License Plates/Dealer Plates.aspx

Use this link for addresses, phone numbers, and fax numbers for all of the county treasurers in South Dakota:

http://dor.sd.gov/Motor Vehicles/County%20Treasurer%20Office%20Contact% 20Info\_May%202015.pdf

Use this link for contact information for all the Dealer Agents: <a href="http://dor.sd.gov/Motor-Vehicles/Dealer-Licensing/Contact-Us.aspx">http://dor.sd.gov/Motor-Vehicles/Dealer-Licensing/Contact-Us.aspx</a>

#### **Definitions**

**Advertising:** "For the purposes of § 32-6B-63 the term, advertising, means any oral, written, or graphic statement which offers for sale a particular vehicle or vehicle parts and services or which indicates the availability of a vehicle or vehicle goods or services. The term includes any statement or representation made in a newspaper, periodical, pamphlet, circular, other publication, or on a radio or television; contained in any notice, handbill, sign, billboard, poster, bill, catalog, or letter; or printed on or contained in any tag or label which is attached to a vehicle."

32-6B-64

**Administrator:** "the administrator of the dealer licensing and inspection program for the Department of Revenue." 32-6B-1(1)

**Auctioneer:** "a person who presides over a public auction where following an initial starting price, bids are taken from two or more people until a final bid or price is established for a motor vehicle." 32-6B-1(2)

**Authorized emergency vehicle:** "any vehicle of a fire department and any ambulance and emergency vehicle of a municipal department or public service corporation that are designed or authorized by the Department of Public Safety or the Department of Health."

32-6B-1(2A)

**Auxiliary lot:** "a physically separate location, such as a mobile home park, manufactured home housing rental community, manufactured housing subdivision, or any residential lot, where a licensed dealer displays manufactured homes or mobile homes." 32-7A-1(1)

**Boat dealer:** "any person who, for commission or with intent to make a profit or gain, sells, exchanges, rents, or leases with the option to purchase, offers or attempts to negotiate a sale or exchange of new or used boats or who is engaged wholly or in part in the business of selling new or used boats."

32-7B-1

**Broker:** "a person who, for a fee, commission, or other valuable consideration, arranges or offers to arrange a transaction involving the sale or exchange of vehicles, and who is not: **a.)** a dealer or a bona fide agent or employee of a dealer, **b.)** a representative or a bona fide agent or employee of a manufacturer, or **c.)** at any point in the transaction the bona fide owner of the vehicle involved in the transactions."

32-6B-1(3)

**Chassis cab:** "any incomplete motor vehicle, with a completed occupant compartment, that requires only the addition of cargo carrying, work performing, or load bearing components to perform the vehicle's intended function." 32-6B-1(3A)

**Community:** "the franchisee's area of responsibility as stipulated in the franchise. A community has a minimum radius of ten miles around an existing dealership."

32-6B-1(4)

**Converter:** "a person who modifies or installs on previously assembled chassis special bodies or equipment which, when completed, form an integral part of the vehicle and which constitutes a major manufacturing alteration and who may issue a supplemental or secondary statement of origin."

32-6B-1(5)

**Dealer:** "any person, other than a manufacturer of a mobile home or a manufactured home, who, for a commission or with the intent to make a profit or gain, sells, exchanges, rents with option to purchase, offers or attempts to negotiate a sales, or makes an exchange of a mobile or manufactured home or who is engaged in the business of selling mobile or manufactured homes." 32-7A-1(2)

**Dealer's car auction agency:** "includes any person, firm, limited liability company, corporation, or association engaged in an auction, as defined by 59-8, of vehicles. The sales shall involve only vehicle owned by dealers and sold to dealers. The provisions set forth in §§ 32-6B-35 to 32-6B-37, inclusive."

**Demonstration:** "the non-commercial use of a dealer owned vehicle by an employee of the dealership for any purpose in the ordinary course of business relating to the sale of the vehicle within the trade or market area of the dealership or demonstration by any

prospective buyer for a period of three days. The term includes vehicles donated by a dealership to a community or organization and used for a one-day parade or event."

32-6B-1(6)

Department: "the Department of Revenue."

32-6B-1(6A)

**Department:** "the Department of Revenue."

32-7A-a(3)

**Emergency vehicle dealer:** "any person who converts or manufacturers authorized emergency vehicles and who, for commission or with intent to make a profit or gain, sells, exchanges, rents with option to purchase, offers, or attempts to negotiate a sale or exchange of new, or new and used authorized emergency vehicles, or who is engaged wholly or in part in the business of selling new, or new and used authorized emergency vehicles." The term includes the submission of a bid proposal for the sale of a vehicle if the bid proposal is offered in response to a bid request originating in this state.

32-6B-1(6B)

**Final Stage Manufacturer dealer:** "any person who assembles or installs on a previously assembled new motor vehicle chassis cab any special body or equipment that forms an integral part of the motor vehicle, constituting a major manufacturing alteration, and completes the vehicle."

32-6B-1(6C)

**Franchise:** "a written or oral agreement or contract between a franchisor and a franchisee which fixes the legal rights and liabilities of the parties to such agreement or contract."

32-6B-1(7)

**Franchisee:** "person who receives vehicles from a franchisor under a franchise and who offers and sells the vehicles to the general public."

32-6B-1(8)

**Franchisor:** "any person engaged in the manufacturing or distribution of vehicles including any person who acts for the franchisor." 32-6B-1(9)

**Good Faith:** "honesty in fact and the observance of reasonable, nondiscriminatory commercial standards of fair dealing in the trade, as defined and interpreted in the Uniform Commercial Code as amended to January 1, 2010." 32-6B-1(9A)

**In-transit:** "the non-commercial use of a dealer owned vehicle by any employee of the dealership for travel to and from any service facility, detail shop, repair shop, gas station, car wash, dealer auction, another lot owned by the dealer, a supplemental lot, temporary supplemental lot, or any other location to facilitate a dealer trade."

32-6B-1(10)

**Manufactured home:** "a structure, transportable in one or more sections, which is eight feet or more in width or forty feet or more in length in the traveling mode, or is three hundred twenty or more square feet when erected on a site; which is built on a permanent chassis and designed to be used as a dwelling, with or without a permanent foundation, when connected to the required utilities; and which contains in it the plumbing, heating, air conditioning and electrical systems. The term includes any structure which has been certified by the secretary of housing and urban development as having complied with the National Manufactured Housing Construction and Safety Standards Act of 1974 as amended and in effect on January 1, 1984."

32-7A-1(4)

**Manufacturer:** "a person who manufactures or assembles vehicles, including motor homes, and who issues the original or first manufacturer's statement of origin. The term, manufacturer, includes a central or principal sales corporation through which it distributes its products to franchised dealers."

32-6B-1(10A)

**Manufacturer:** "In §§ 32-6B-79 to 32-6B-83, inclusive, the term, manufacturer, includes a representative or a person or entity who is directly or indirectly controlled by. Or is under common control with, the manufacturer. For purposes of this section, a person or entity is controlled by a manufacturer if the manufacturer has the authority directly or indirectly, by law or by agreement of the parties, to direct or influence the management and policies of the person or entity. However, the term, manufacturer, does not include any person or entity who manufactures or assembles less than two hundred fifty motorcycles a year or who manufactures or assembles trailers."

#### 32-6B-79

**Mobile home:** "a moveable or portable unit, designed and constructed to be towed on its own chassis (comprised of frame and wheels), and designed to be connected to utilities for year-round occupancy. The term includes: **a.)** units containing parts that may be folded, collapsed, or telescoped when being towed and that may be expanded to provide additional cubic capacity; and **b.)** units composed of two or more separately towable components designed to be joined into one integral unit capable of being separated again into the components for repeated towing."

32-7A-1(5)

**Mobile Home dealer:** "any person, other than a manufacturer of a mobile home or a manufactured home, who for a commission or with the intent to make a profit or gain, sells, exchanges, rents with option to purchase, offers or attempts to negotiate a sale, or makes an exchange of a mobile or manufactured home or who is engaged in the business of selling mobile or manufactured homes." 32-7A-1(2)

**Motor Home:** "a motor vehicle designed as an integral unit to be used as a conveyance upon the public highways and for use as a temporary or recreational dwelling and having at least four of the following permanently installed systems: **a.)** cooking facilities, **b.)** ice box or mechanical refrigerator, **c.)** potable water supply including plumbing and a sink with faucet either self-contained or with connection for an external source, or both **d.)** self-contained toilet connected to a plumbing system with connection for external water disposal, **e.)** heating or air conditioning system, or both, separate from the vehicle engine or the vehicle electrical system, **f.)** a one hundred ten--one hundred fifteen volt alternating current electrical system separate from the vehicle engine electrical system either with its own power supply or with a connection for an external source, or both, or a liquefied petroleum system and supply." 32-6B-1(11)

**Principal place of business:** "for purposes of this chapter, the term, principal place of business, means an enclosed commercial structure located within the State of South Dakota, easily accessible and open to the public at all reasonable times, with an improved display area immediately adjoining the building that is large enough to display five or more vehicles of the type the dealer is licensed to sell. It is the location at which the business of a vehicle dealer may be lawfully carried on in accordance with all applicable building codes, zoning, and other land use ordinances and in which building the public may contact the vehicle dealer or the dealer's salesperson. It is the location where books, records, and files necessary to conduct the business of the vehicle dealer are kept and maintained. In no event may rooms in a hotel, motel, apartment house, or any part of any single or multiple unit dwelling house to be considered a principal place of business unless the entire ground floor of such facility is devoted principally to and occupied for commercial purposes. Any dealer licensed under this chapter shall maintain and continuously occupy a principal place of business. However, an emergency vehicle dealer is exempt from the requirement of having its principal place of business in South Dakota." 32-6B-2

Principal place of business: "For the purposes of this chapter, the term, principal place of business, means an enclosed commercial structure located within the State of South Dakota, easily accessible and open to the public at all reasonable times, with an improved display area immediately adjoining the building that is large enough to display five or more boats of the type the dealer is licensed to sell. It is the location at which the business of a vehicle dealer may be lawfully carried out in accordance with all applicable building codes, zoning, and other land use ordinances and in which building the public may contact the vehicle dealer or the dealer's salesperson. It is the location where the books, records, and files necessary to conduct the business of the boat dealer are kept and maintained. In no event may rooms in a hotel, motel, apartment house, or any part of a single or multiple unit dwelling house be considered a principal place of business unless the entire ground floor of such facility is devoted principally to and occupied for commercial purposes. Any dealer licensed under this chapter shall maintain and continuously occupy a principal place of business." 32-7B-21

**Public Auction:** "a business that is open to the public where South Dakota titled motor vehicles are consigned, displayed, and auctioned to the highest bidder by an auctioneer." 32-6B-1(12)

**Recreation park trailer:** "a vehicle that is primarily designed to provide temporary living quarters for recreational, camping, or seasonal use and which: **a.)** is built on a single chassis mounted on wheels, **b.)** has a gross trailer area not exceeding four hundred square feet in the setup mode, **c.)** is certified by the manufacturer as complying with American National Standards Institute Standard No. A119.5 in effect on January 1, 2008, and **d.)** has at least a seventeen digit identification number and the manufacturer has designated the vehicle as a recreational park model on the manufacturer statement of origin." 32-6B-1(12A)

**Sell-it-yourself-lot:** "any space provided to a person for a fee to display that person's boat or vehicle for sale." 32-6B-1(13)

**Semitrailer:** "any vehicle of the trailer type, equipped with a kingpin assembly, designed and used in conjunction with a fifth wheel

connecting device on a motor vehicle and constructed so that some part of its weight and that of its load rests upon or is carried by another vehicle."

32-6B-1(14)

**Snowmobile dealer:** "any person who, for commission or with intent to make a profit or gain, sells, exchanges, rents with option to purchase, offers or attempts to negotiate a sale or exchange of new or used snowmobiles, or who is engaged wholly or in part in the business of selling new or used snowmobiles."

32-6C-1

**Supplemental lot:** "a physically separate location owned and maintained by a licensed dealer within the same county as the principal place of business."

32-6B-1(15)

**Supplemental lot:** "a physically separate location owned and maintained by a licensed dealer within the same county as the principal place of business."

32-7A-1(6)

**Temporary special events lot:** "a location other than the principal place of business, supplemental lot, or temporary supplemental lot where a licensed trailer dealer, a licensed used car dealer, or a licensed vehicle dealer selling only truck tractors, trailers, or motor homes, or any combination thereof, may conduct business for a period of time not to exceed ten consecutive days for a specific purpose such as fairs, auctions, shopping center sales, or tent sales. A temporary special events lot shall meet all local zoning and building codes for the type of business being conducted."

32-6B-1(16)

Temporary supplemental lot: "a location other than the principal place of business or supplemental lot but within the same county as the principal place of business, or within the corporate limits of a municipality which overlaps boundaries of a county, or in an adjoining county, if the adjoining county has no licensed vehicle dealer selling automobiles, pick-ups, or passenger vans and the temporary supplemental lot is no more than tem miles from the principal place of business, where a licensed vehicle dealer or a licensed used vehicle dealer may conduct business for a period of time not to exceed ten consecutive days for a specific purpose such as fairs, auto shows, auctions, shopping center promotions, or tent sales. A temporary supplemental lot shall meet all local zoning and building codes for the type of business being conducted. If a licensed vehicle dealer establishes a temporary supplemental lot in a county with a licensed used vehicle dealer, a licensed used vehicle dealer may establish a temporary supplemental lot in a county with a licensed vehicle dealer. A licensed vehicle dealer may establish, for manufacturer sponsored events, a temporary supplemental lot in an adjoining county that has no like franchised licensed dealer."

32-6B-1(17)

**Temporary supplemental lot:** "a location other than the principal place of business or supplemental lot where a licensed dealer may conduct business for a period of time not to exceed ten consecutive days for a specific purpose such as fairs, auctions, shopping center promotions or tent sales. Such temporary supplemental lots shall meet all local zoning and building codes for the type of business being conducted."

32-7A-1(7)

**Trailer:** "any vehicle without motive power designed to be coupled to or drawn by a motor vehicle and constructed so that no part of its weight or that of its load rests upon the towing vehicle." 32-6B-1(18)

**Trailer dealer:** "any person who, for commission or with intent to make a profit or gain, sells, exchanges, rents with option to purchase, offers or attempts to negotiate a sale or exchange of new or used trailers, semitrailers or travel trailers or who is engaged in the business of selling new or used trailers, semitrailer or travel trailers whether or not such vehicles are owned by such person." 32-6B-1(19)

**Travel Trailer:** "any trailer or semitrailer which provides as its primary purpose adequate, comfortable, temporary living quarters while on pleasure excursions or while touring for business, professional, educational or recreational purposes." 32-6B-1(20)

**Used vehicle dealer:** "any person who, for commission or with intent to make a profit or gain sells, exchanges, rents with option to purchase, offers or attempts to negotiate a sale or exchange of used vehicles or who is engaged in the business of selling used vehicles."

32-6B-1(21)

Vehicle: "any new or used automobile, truck, truck tractor, motorcycle, off-road vehicle, motor home, trailer, semitrailer or travel

trailer of the type and kind required to be titled and registered under chapters 32-3 and 32-5, or required to be titled under chapter 32-20 except manufactured homes, mobile homes, mopeds or snowmobiles." 32-6B-1(22)

**Vehicle dealer:** "any person who, for commission or with intent to make a profit or gain, sells, exchanges, rents with option to purchase, offers or attempts to negotiate a sale or exchange of new, or new and used vehicles, or who is engaged wholly or inpart in the business of selling new, or new and used vehicles.

32-6B-1(23)

#### **Dealer License Requirements**

- A. South Dakota requires that people who engage in the business of selling vehicles/boats, whether exclusively or in addition to any other occupation have a dealer license.
- B. Dealer license applications are paid for and submitted to the county treasurer in the county were the dealership will be conducting business. The dealer license application must be completed in its entirety and submitted with:
  - 1. Applicable fees
  - 2. **Original** surety bond
  - 3. A certificate of public liability insurance (when the license requires insurance)
  - 4. Written verification of conformance with land use ordinances, building codes, and zoning from the city or county.
  - 5. Any franchise agreements, if applicable.
  - 6. The application and fees are forwarded from the county treasurer's office to the Division of Motor Vehicles in Pierre. The application is then routed to the dealer inspector.
  - 7. No applicant, other partner, member, officer, or financial supporter of the dealership may have been convicted of a crime involving vehicle theft or fraud in the last five years.
- C. The fees for dealer licenses depend on the type of license the dealer is obtaining.
  - 1. Vehicle dealer license--\$300
  - 2. Used vehicle dealer license--\$300
  - 3. Mobile/manufactured home dealer license--\$300
  - 4. Emergency vehicle dealer license--\$300
  - 5. Final stage manufacturer dealer license--\$300
  - 6. Dealer's car auction agency--\$300
  - 7. Motorcycle dealer license--\$250
  - 8. Boat dealer license--\$250
  - 9. Snowmobile dealer license--\$150
  - 10. Trailer dealer license--\$125
- D. A vehicle dealer licenses and used vehicle dealer licenses allows the dealer to sell a broad range of vehicles without obtaining additional licenses, the list includes:
  - 1. Vehicles (cars, pickups, SUVs, vans, truck tractors)
  - 2. Motorcycles (also includes ATVs and side by sides)
  - 3. Trailers (of any weight)
  - 4. Low-speed vehicles
- E. A boat dealer license allows a boat dealer to sell **boat trailers** without obtaining an additional trailer dealer license.
- F. Certain dealers must obtain a dealer license specific to what they are selling:
  - 1. Motorcycles
  - 2. Trailers
  - 3. Snowmobiles

- 4. Mobile/manufactured homes
- G. Any dealer authorized by a manufacturer to sell new models must submit a franchise agreement between the dealer and the manufacturer of the new vehicles.
  - 1. If a franchisor seeks to terminate or not continue the franchise the franchisor must notify the Department.
    - i. If the dealer wishes to voluntarily terminate the franchise, the dealer must notify the Department.
  - 2. If the franchisor seeks to enter into an additional franchise of the same make of vehicle that is already represented in a community, <u>the franchisor</u> must notify the Department.

# Surety Bonds and Public Liability Insurance

- A. A surety bond is required for most licensed dealers. The bond must be executed by the applicant as principal and by a surety company qualified to do business in the State as surety. The amount of the required bond is determined by the license type:
  - 1. Car auction agency dealer license--\$50,000
  - 2. Vehicle dealer license--\$25,000
  - 3. Used vehicle dealer license--\$25,000
  - 4. Mobile/manufactured home dealer license--\$25,000
  - 5. Final stage manufacturer dealer license--\$25,000
  - 6. Boat dealer license--\$20,000
  - 7. Emergency vehicle dealer--\$10,000
  - 8. Trailer dealer license (trailers 3,000lb and up)--\$10,000
  - 9. Motorcycle and off road dealer license--\$5,000
  - 10. Snowmobile dealer license--\$5,000
- B. Some dealer licenses require the dealer to obtain a public liability insurance policy. The amount of the policy must be at minimum \$300,000. Dealer license types required to obtain a public liability insurance policy are as follows:
  - 1. Vehicle dealer license
  - 2. Used vehicle dealer license
  - 3. Motorcycle dealer license
    - a. Not required for:
      - i. Trailer dealer license
      - ii. Snowmobile dealer license
      - iii. Boat dealer license
      - iv. Mobile/manufactured home dealer license

## Principal place of business

- A. All applicants and existing dealerships must have a principal place of business that conforms to the laws and rules under dealer licensing.
- B. The principal place of business location must accord to all applicable land use ordinances, building codes and zoning.
  - 1. It is the location that all books, records and files necessary to conduct business are kept and maintained.
  - 2. In no event may rooms in a hotel, motel, apartment house or any part of a single or multiple unit dwelling house be considered a "principal place of business", unless the entire ground floor is devoted principally to, and occupied for, commercial purposes.
  - 3. The principal place of business must have separate office space for conducting business if more than one business occupies the structure.
  - 4. To maintain a principal place of business, the licensed dealer must be open for business on a continuing basis.
    - a. Normal business hours must posted in a place visible for viewing by the public.
  - 5. The dealership must maintain a telephone and telephone number, with the number being listed in the white or yellow pages, in the name of the dealership.
  - 6. A dealer inspector must inspect all principal places of business and certify they are in accordance with the law before a dealer license is issued.
- C. Requirements for principal place of business vary for some dealers. Dealer licenses that require an enclosed structure located within the state, easily accessible and open to the public at all reasonable times; and an improved area adjoining the building that is large enough to display five or more vehicles/boats of the type the dealer is licensed to sell, include:
  - 1. Vehicle dealer license
  - 2. Used vehicle dealer license
  - 3. Boat dealer license
  - 4. Motorcycle dealer license
  - 5. Trailer dealer license
  - 6. Snowmobile dealer
- D. The principal place of business for mobile/manufactured homes dealer license:
  - 1. May not be a tent, temporary stand or other temporary quarters, nor permanent quarters occupied pursuant to any temporary arrangement.
  - 2. The licensee may use unimproved lots and premises for sale, storage and display of mobile homes and manufactured homes.
  - 3. A licensee may use a residence located within or adjacent to his mobile home park or a manufactured home park as a principal place of business unless prohibited by local zoning.

- E. Every person licensed as a dealer shall display his license in a conspicuous place at the principal place of business.
- F. A dealer licensee is allowed to move a principal place of business to a new location within the county.
  - 1. The Office of Dealer Licensing must be notified in writing 30 days in advance of the proposed move.
  - 2. A dealer inspector, to insure it meets the requirements mentioned previously, shall inspect the new principal place of business.
  - 3. The dealer is required to furnish written verification of conformance with building and zoning from the city or county on the new location.
  - 4. The bond and insurance on file with the Department must also be updated, if needed, with new certificates or riders.
- G. A dealership temporarily closed must conspicuously display notification in public view at the established place of business.
  - 1. Written notice must be sent to the Department 30 days in advance of temporary closing.
- H. In addition to the other requirements set out for a license, a <u>new vehicle dealer</u> must have within the principal place of business or within the county of the principal place of business, a repair shop.
  - 1. Repair shop must have space to repair, service, maintain and recondition one or more vehicles.
  - 2. Repair shop must be equipped with ample tools, parts, and accessories.

# Supplemental, temporary supplemental and Auxiliary lots

- A. A licensee is permitted to sell, store and display vehicles/boats on premises other than their principal place of business. This location is called a supplemental lot and requires a supplemental license.
  - 1. The supplemental lot may be an unimproved lot and must meet all local zoning codes and ordinances.
  - 2. The lot must be located within the county for which the original license is issued.
  - 3. The dealer inspector must inspect the location for approval prior to the supplemental license being issued.
  - 4. Titles and paperwork on vehicles/boats sold at a supplemental dealership must be completed under the primary dealership license. The title and paperwork must list the primary dealership name.
  - 5. The dealership name used for a supplemental dealership must be the same name as the primary dealership or must have the primary dealership name incorporated into it.
  - 6. Advertising also falls under these guidelines.
  - 7. There is no additional fee for the supplemental license.
  - 8. If a dealer chooses to operate a supplemental dealership under a separate name from the primary dealership, the business **is not** considered a supplemental dealership and <u>a separate license is required.</u>
- B. A temporary supplemental lot is a location other than the principal place of business or supplemental lot within the same county as the principal place of business, or within the corporate limits of a municipality which overlaps boundaries of a county, or in an adjoining county\*, where a licensee may conduct business for a period of time which may not exceed ten consecutive days.
  - 1. A licensed vehicle dealer may establish, for manufactured sponsored events, a temporary supplemental lot in an adjoining county\* that has no like franchised licensed dealer.

2. Dealers licensed under S.D.C.L. 32-6B may **display** vehicles within the corporate limits of a municipality where the dealer is licensed.

- 3. This type of lot is for a specific purpose such as fairs, auto shows, auctions, shopping center promotions or tent sales.
- 4. Temporary supplemental lots shall meet all local zoning and building codes for the type of business being conducted.
- 5. An additional license is not required for these lots.
- C. A temporary special events lot is a location other than the principal place of business, supplemental lot, or temporary supplemental lot outside the county of the principal place of business where certain licensed dealers may conduct business for a period of time not to exceed 10 consecutive days for a specific purpose, such as fairs, auctions, shopping center sales, or tent sales. A temporary special event's lot shall meet all zoning and building codes for the type of business being conducted. Permitted license types:
  - 1. Trailer dealer
  - 2. New or used vehicle dealer
    - i. Selling only truck tractor, trailers, or motor homes (or combination of these listed)
- D. An auxiliary lot is a physically separate location, where a licensed mobile home or manufactured home dealer may display manufactured homes or mobile homes.
  - 1. An auxiliary lot may be located outside the county of the principal place of business of the dealer.
  - 2. A dealer must obtain a supplemental license for an auxiliary lot.
  - 3. An auxiliary lot shall meet all local zoning codes and ordinances.
  - 4. Examples of auxiliary lots:
    - i. mobile home park

- ii. manufactured housing rental community
- iii. manufactured housing subdivision
- iv. any residential lot
- E. A temporary boat show lot is a location other than the principal place of business or supplemental lot outside the county of the principal place of business where a licensed boat dealer may conduct business for a period of time not to exceed 10 consecutive days for a specific purpose, such as fairs, shopping center sales, or boat shows. A temporary boat show lot must meet all local zoning and building codes.

<sup>\*</sup>The adjoining county can have no licensed (new) vehicle dealer selling automobiles, pick-ups, or passenger vans and can be no more than 10 miles from the principal place of business. If a licensed new vehicle dealer establishes a temporary supplemental lot in a county with a licensed used vehicle dealer, a licensed used vehicle dealer may establish a temporary supplemental lot in a county with a licensed new vehicle dealer.

# **Exceptions to Dealer License Requirement**

- A. South Dakota requires that people who engage in the business of selling vehicles/boats, whether exclusively or in addition to any other occupation have a dealer license.
  - 1. Exceptions from the dealer license requirement:
    - a. Any receiver, trustee, administrator, executor, guardian or other person appointed by or acting under the judgment or order of any court.
    - b. Any public officer while performing the officer's official duties.
    - c. Any employee of any person licensed as a vehicle dealer if engaged in the specific performance of the employee's duties.
    - d. Any person not engaged in the sale of vehicles as a business who operates fleets of vehicles and is disposing of vehicles used in the person's business if the same were acquired and used in good faith and not for the purpose of avoiding the provisions of dealer licensing.
    - e. Any regulated lenders as that term is defined in §54-3-14, an insurance company authorized to do business in this state or any financing institution that acquires vehicles as an incident to its regular business and sells such vehicles to licensed dealers.
      - i. Any financial institution chartered or licensed in any other jurisdiction that acquires vehicles as an incident to its regular business.
    - f. Any vehicle rental and leasing company that sells its used vehicles to licensed dealers.
    - g. Any nonprofit automobile club if the vehicles being sold are twenty years or older.
    - h. Any person engaged in the business of manufacturing or converting new vehicles, if the vehicles are being sold to licensed dealers with a franchise agreement from the original manufacturer of the vehicle.
    - i. Any person acting as an auctioneer, if the vehicles being auctioned are titled in South Dakota, and being auctioned for a licensed dealer or a person who is exempt from the provisions of dealer licensing.
    - j. Any towing company that acquires and sells a vehicle that was towed

- at the request of a private landowner under the provision of chapter <u>32-36</u> or at the request of a law enforcement officer, if no vehicle is sold for more than \$1,200.00.
- k. Any person not engaged in the sale of vehicles as a business and is disposing of vehicles used solely for personal use if the vehicle were not acquired and used in good faith and not for the purpose of avoiding the provisions of dealer licensing.

#### License Renewal Information

- A. Within 3 months of expiration of a dealer's license, the dealer receives notice through the dealer computer system that the dealer license is up for renewal.
  - 1. The dealer prints the license renewal and billing off of the system. The license renewal notice and billing must be reviewed, updated, and submitted, along with required fees, to the county treasurer's office of the county in which the dealership is located
  - 2. The dealer may also pay these fees online through the dealer system
    - i. Any late renewal will be assessed the initial license fee
- B. When an initial license is issued, the license is issued for a 12-month period.
- C. The license renewal notice and billing also includes dealer plates assigned to the dealership.
  - 1. When increasing or decreasing the number of plates assigned, the change must be noted on the notice and the billing adjusted accordingly.
- D. The actual (paper) dealer license and dealer plates are issued with an expiration date of 2020 (5-year cycle).
  - 1. The license, however, must be renewed annually by following the procedure noted above (verifying and submitting the license renewal notice and billing, along with the required fees, to the county treasurer of the dealership).
- E. The renewal fee, if submitted prior to the expiration of the old license, is based on the following schedule:
  - 1. Vehicle dealer license -- \$175
  - 2. Used vehicle dealer license -- \$175
  - 3. Mobile/manufactured home dealer license -- \$150
  - 4. Motorcycle dealer license -- \$150
  - 5. Snowmobile dealer license -- \$125
  - 6. Trailer dealer license -- \$100
  - 7. Boat dealer license -- \$175
  - 8. Emergency vehicle dealer license -- \$175
  - 9. Final Stage Manufacturer license -- \$175

# Dealer Agents duties and authority

- A. To enforce compliance with the laws and regulations pertaining to dealers, a dealer agent of the Department may enter <u>both</u> publicly owned and privately owned property and sign complaints when a violation is found.
- B. In each calendar year, a dealer inspection may be performed to determine if any violations exist.
  - 1. The inspection may include a review of the principal place of business, supplemental lots, and any books, records or files required by the Department.
  - 2. An examination of the titles/MSOs and vehicles owned and offered for sale may also be conducted.
  - 3. Other documents that must be available at the dealership include: public liability insurance policy when applicable, franchise agreements when applicable, if the property the dealership is located on is leased, a copy of the lease. All of these documents shall be open to inspection by any law enforcement officer or departmental inspector.
  - 4. A dealer inspector may visit a dealership to inspect records, review any changes in laws, verify dealership information and answer any questions that have arisen.
  - 5. Records must be available upon request for examination anytime during regular business hours.
  - 6. Each inspection is documented by a dealer inspection report. The report is also used whenever complaints are investigated or for informational matters. The reports are part of the permanent dealership file.
- C. If a dealer refuses to allow an inspection, an inspection will not be done. If during the course of an inspection, a dealer refuses to allow it to continue, the inspection will cease.
  - 1. In either case, the Department may initiate revocation proceedings against the dealer's license.

## **Record Keeping**

- A. Every dealer licensed in South Dakota is required to keep records of their business transactions. The form of record keeping shall be as prescribed or approved by the Department. The dealer must maintain all vehicle records for **five years**. The books and records and other papers and documents shall, at all times during business hours of the day, be subject to inspection. <u>32-6B-20</u>
- B. A licensed dealer must keep the following records: 32-6B-20
  - 1. A record (ledger) of the purchase, sale or exchange of any vehicle (includes trailer, motorcycle, snowmobile, mobile or manufactured home and boat). Ledger format or excel format if electronic.
  - 2. A description of each vehicle the dealer purchased, sold or exchanged, together with:
    - i. The name and address of the owner <u>from whom</u> the vehicle was purchased or received from on trade **and** to whom it was sold or delivered.
    - ii. The description shall include the vehicle identification number, manufacturer's make and model and vehicle's odometer mileage.
  - 3. A certificate of title from the previous owner of any vehicle not purchased from the manufacturer, from the time the vehicle is delivered to the dealer until it has been disposed of by the dealer.
    - i. When the vehicle is disposed of by the dealer the dealer should maintain copies of:
      - 1) The original title including the completed reassignments.
      - 2) A completed and signed title application.
      - 3) A signed Buyer's Guide.
      - 4) Any additional documentation regarding the title or odometer brand.
      - 5) A completed and signed purchase agreement.

# Dealer inventory financing

- A. If a vehicle is financed through a financial institution and the financial institution holds the title as collateral, a copy of the front and back of the title shall be retained by the dealer. The dealer must notify the Department in writing if a financial institution is holding titles.
  - 1. Electronic images of the front and back of the title is acceptable, as long as the dealer keeps them readily available for inspection.

#### Disclosures and Brands

- A. A dealer is required under law to place a disclosure notice on **any** vehicle/large boat sold or offered for sale that has a salvage title, damage disclosure, or similar notation that indicates damage to the vehicle/large boat on it.
  - 1. The notice must be printed on white NCR paper, measuring 4" x 6".
  - 2. The original is to be retained by the dealer and the copy is to be given to the purchaser.
  - 3. The information on the notice is to be printed in 12-point (minimum) Universe bold capital letters.
  - 4. The notice must be posted on the inside of a side window with the front of the form facing the outside, or in the case of a boat, on the front window so that it is clearly visible at all times on each vehicle/large boat that contains a salvage title, damage disclosure, or similar notation offered for sale to consumers.
  - 5. At the time of sale of the vehicle/large boat, the dealer must remove the disclosure notice and have the purchaser sign and date it.
  - 6. The dealer must keep the signed disclosure notice, along with copies of the title document, for **5 years** from the date of sale.
  - 7. If a dealer fails to display a disclosure notice, the purchaser may return the motor vehicle/large boat to the dealer within 10 days after receiving the title and will receive a full refund.

#### Odometer

- A. Federal and State regulations require odometer statements on transactions for motor vehicles 9 model years and newer, unless otherwise exempted. On South Dakota certificates of title the odometer disclosure statement is on the assignment area(s) on the back of the title document. The disclosure statement complies with federal/state regulations. Federal/State odometer requirements include:
  - 1. Hand-printed name of seller and buyer
  - 2. Hand-written signature of seller and buyer
  - 3. Address of seller and buyer
  - 4. Date of sale
  - 5. Odometer reading
  - 6. Odometer indicators (actual miles, not actual miles, exceeds mechanical limits, etc.)
  - 7. Complete description of vehicle (VIN, year, make, model)
- B. Under law, the seller is required to retain a copy of the title assignment or the Odometer Statement for five years.
- C. If a certificate of title on a vehicle less than 10 years old is submitted without an odometer reading, the last owner (selle r) is required to disclose the odometer reading to the buyer and the odometer reading is entered on the new title.
  - 1. Titles and MSOs are not returned from the central DMV office in Pierre if the odometer or signature is missing. On a qualifying vehicle involving a dealer, a secure dealer reassignment form or a secure power of attorney form is required.
- D. Odometer readings are required on motorcycles
  - 1. Disclosure on all new and out-of-state motorcycles.
    - i. Federal regulations require an odometer statement on motorcycles in which the state previously exempted from odometer disclosure.
      - 1) Motorcycles with a South Dakota title previously issued showing no odometer reading will be required to comply. The reading will be shown on the title.
- E. Exemptions from federal/state odometer requirements:
  - 1. Vehicle having a weight (shipping weight or gross vehicle weight rating) of more than 16,000 pounds
  - 2. A vehicle that is not self-propelled
    - i. Trailers
    - ii. Mobile/manufactured homes
  - 3. A vehicle that is ten (10) or more years old [current year (-) 10].
    - i. Title applications for vehicles 10 years old and older that include an odometer reading will be processed the same as vehicles under 10 years of age <u>unless</u>:
      - 1) There is a discrepancy between the odometer reading being disclosed and the previous odometer reading
      - 2) The odometer reading was not previously disclosed (once there is a skip, the odometer cannot be shown on the title) in these instances, if the odometer is shown on the assignment, it will become a part of the vehicle history but will not be printed on the face of the title
  - 4. A vehicle sold directly by the manufacturer to any agency of the United States in conformity with contractual specifications
  - 5. An MSO transfer between dealers
    - i. the federal odometer statement is not required until the  $\underline{\text{first retail sale}}$  of the vehicle is made.
  - 6. Snowmobiles
  - 7. ATV/off road vehicles
- F. Federal odometer statement forms (secure dealer reassignment, secure odometer disclosure statement, secure power of attorney) <u>are not</u> provided by the Division of Motor Vehicles.

32-3-30.1; 64:28:03:11

### **Damage Disclosure**

- A. Salvage Title (Effective July 1, 2015)
  - 1. The use of Damage Disclosures was repealed, effective July 1, 2015.
  - 2. Damage Disclosures will remain noted on titles issued before July 1, 2015.
  - 3. Upon Written request and a fee, the South Dakota Division of Motor Vehicles will provide a vehicle title history (see <a href="DPPA">DPPA</a>)
- B. For any vehicle with a salvage title or damage noted on the title, a dealer must place a notice <u>in plain view</u> in the window of the car/boat.
  - 1. The notice must be printed on white NCR paper, measuring 4" x 6". The original is to be retained by the dealer and the copy is given to the purchaser.
  - 2. The information must be printed in 12-point (minimum) Universe BOLD CAPITAL LETTERS.
  - 3. The notice must be posted on the inside of a side window with the front of the form facing the outside, or in the case of a boat, on the front window.
  - 4. The dealer is responsible for keeping the notice posted at all times that a vehicle/boat is available for sale to consumers.
  - 5. At the time of sale of the vehicle/boat, the dealer must remove the notice and must have the purchaser sign and date it.
    - i. The dealer must retain the signed notice, along with copies of the title document, for **5 years** from the date of sale.
  - 6. If a dealer fails to display a damage disclosure notice (disclosure must be signed by the purchaser at the time of sale), the purchaser may return the motor vehicle/large boat to the dealer within 10 days after receiving the title and receive a full refund.
- C. Certificates of title issued on motor vehicles/boats in which damage has been disclosed shall reflect this information on the front of the title.
  - 1. Vehicles/boats coming into the state with a salvage or similar branded title issued in another jurisdiction will have the brand carried forward onto the SD title.
  - 2. The same is true of damage/similar brands from other jurisdictions.

32-3-51.18; 32-3A-38.6; 32-3-51.5; 32-3-51.22

#### Salvage

- A. Salvage Title (Effective July 1, 2015)
  - 1. Salvage title qualifications:
    - i. A qualifying salvage motor vehicle includes: automobile, motor truck, motorcycles (on-road), house trailers (campers), and trailers.
    - ii. Vehicles that do not qualify for a salvage title include:
      - 1) ATVs and other off-road vehicles
      - 2) Dirt Bikes (off road)
      - 3) Golf Carts
      - 4) Dune Buggies
      - 5) Humvees
      - 6) Boats
    - iii. Vehicles more than 10 model years old or with a gross vehicle weight rating of more than 16,000 pounds do not qualify for a salvage title.
  - 2. If any insurer, in settlement of a total loss insurance claim, or self-insurer <u>acquires ownership</u> of a salvage vehicle that does not have a salvage title, the insurer must, within 30 days following acquisition of the title of that vehicle, surrender the title to the Department.
    - i. A title indicating salvage will be issued to the insurer or self-insurer.
  - 3. If any insurer or self-insurer declares a vehicle to be a total loss but <u>does not acquire ownership of the vehicle</u>, the owner must obtain a salvage title.
    - i. The insurer or self-insurer must notify the owner, in writing, of the obligation to obtain a salvage title before the owner sells or transfers the title.
    - ii. If the owner sells or transfers the ownership of the vehicle without first obtaining a salvage title, the owner is guilty of a Class 1 misdemeanor.

32-3-51.19; 32-3-51.5

## Out of State Title Brands

### A. Out of state salvage title

- 1. Any motor vehicle 16,000 lbs. GVWR or less with a salvage title from another state or jurisdiction can only apply for a salvage title or junking certificate in this State.
- $2. \ \ Out-of\text{-}state\ title\ brands\ are\ displayed\ on\ all\ titles\ in\ the\ previous\ state\ field.$

# Traded Vehicles

See the <u>Title Requirements</u> section

#### Trade in with Lien

- A. If the dealer is paying off a lien on a traded vehicle, funds must be transferred to the financial institution within 10 days of the purchase or trade in date.
  - 1. The dealer may not offer the vehicle for sale until payment has been tendered to the lienholder (except on a consigned vehicle, whereby the dealer must comply with the terms of the consignment agreement).
  - 2. Proof of payment of a lien will be a copy of the check. The lien payment check must be mailed by certified return receipt mail, unless satisfaction of the lien is done electronically, in which case proof is a printout showing the transaction.
  - 3. Failure of the dealer to satisfy a lien within 10 business days after receipt of funds constitutes theft pursuant to chapter 22-30A.

32-6B-20.3; 32-6B-20.4

#### **Buyers Guide**

- A. As a vehicle dealer, the Federal Trade Commission's (FTC) <u>Used Car Rule</u> affects how you do business. The Used Car Rule requires dealers to post a completed "<u>Buyer's Guide</u>" in the side window or on the rear-view mirror of each used vehicle offered for sale to consumers.
- B. Before a dealer offers a used vehicle for sale to a consumer, a Buyer's Guide must be posted in the vehicle's side window or on the rear-view mirror.
  - 1. The Buyer's Guide is posted on the inside of a side window or on the rear-view mirror, with the front of the form facing the outside.
  - 2. The dealer is responsible for keeping the Buyer's Guide posted at all times that a vehicle is available for sale to consumers.
    - i. A vehicle is considered for sale if the dealer allows a customer to inspect the vehicle for the purpose of purchasing it.
- C. Vehicles that required to display a Buyer's Guide:
  - 1. Any car, truck, light duty truck, van, trailer, boat trailer, ATV, jet ski, jet ski trailer, RV, semi-truck
  - 2. Any vehicle with a loaded gross vehicle weight rating of less than 8,500 lbs., a curb/empty weight of less than 6,000 lbs.
  - 3. Any vehicle with a frontal area of less than 46 square feet
- D. The only exemptions to the FTC Buyers Guide rule are:
  - 1. Motorcycles
  - 2. Some agricultural equipment
- E. The Rule also requires dealers to include a specific disclosure about the Buyer's Guide in the sales contract and to give the purchaser a copy of the Buyer's Guide.
  - 1. Dealers who violate the Used Car Rule may be subject to penalties of up to \$40,000 per violation.
- F. Buyer's Guides are purchased from business form companies or trade associations.
  - 1. The wording, type style, size and format are specified in the Rule and must be followed.
  - 2. The Rule requires the Buyer's Guide be printed in 100 percent black ink on white stock that is at least 11 inches high and 7-1/4 inches wide.
    - i. You may use colored ink to fill in the blanks on the Buyer's Guide.
- G. For more information or questions concerning the Used Car Rule, call or write the Federal Trade Commission. Free copies of the Rule or the staff's compliance guidelines for the Used Car Rule are available, at the FTC website.

# Purchasing vehicles with out of state titles for dealer inventory

- A. Out of state vehicles purchased by the dealer must be transferred to a South Dakota title within 45 days from the date of purchase
  - 1. The only exceptions to this requirement are:
    - i. Truck tractors with a GVWR of over 26,000 lbs.
    - ii. Trailers over 9,000 lbs. (empty/curb/shipping weight)
- B. Within 45 days the dealer must:
  - 1. Put the out of state title online using the online dealer system
  - 2. Send the title, application, and any required supporting documents, and payment to the state MVD office through fast title service
    - i. Motor Vehicle Division ATTN: Fast titles445 E Capitol Ave Pierre, SD 57501
- C. The dealer can offer the vehicle for sale (before the dealer receives the title in their name) if:
  - 1. The dealer completes the online application
  - 2. Submits application, payment, and supporting documents to Pierre
    - i. It is still a dealer violation if you are unable to deliver title to your customer within 45 days from the purchase date
- D. A dealer is eligible to receive a 45 day title delivery extension under the following conditions:
  - 1. The lienholder fails to release the lien on the title
  - 2. The request for the extension must be made within 50 days of the date of sale
    - i. Any request made after 50 is denied and dealer is in violation of 32-3-7
- E. To receive a 45 day title delivery extension the dealer must provide:
  - 1. Proof of lien payoff within 10 days of funds received

- i. Copy of returned check
- ii. Copy of electronic invoice
- 2. Proof of purchase from the title owner
- 3. Proof of sale to new buyer
- F. If the 45 day title delivery is approved by the MVD, the dealer agent will print a 45 day temporary license permit (sold plate)
  - 1. The 45 day extension permits must be signed by an agent for the MVD

32-3-7.1

# Out of state titled vehicle taken in on trade for dealer inventory

- A. When a dealer takes an out of state titled vehicle or boat in as a trade in:
  - 1. The dealer is not obligated by law to transfer title to a South Dakota title
  - 2. Dealer can reassign the out of state title to a new purchaser or complete a Secure Dealer Reassignment
    - i. A Foreign Title Trade in Form (form 39) must be attached to the title
- B. When a dealer purchases or takes in on trade a vehicle or boat with a South Dakota title:
  - 1. The title must be assigned from the owner to the dealership
    - i. If odometer is required, it must be completed
  - 2. The dealer does not have to apply for a new title, they can use the dealer reassignment space on the back of the South Dakota title

## Selling a vehicle without a title

- A. A dealer may offer for sale, sell, or exchange a vehicle without a certificate of title if the dealer complies with the following applicable provisions: 32-6B-20.2
  - 1. The dealer has:
    - i. A record of the purchase, sale or exchange of a vehicle, with proof of purchase agreement or bill of sale.
    - ii. Satisfied any outstanding liens or encumbrances [proof of satisfaction of a lien shall be a copy of the check and the certified return receipt mail card or the confirmation number, if payment is made electronically].
    - iii. Secure power of attorney.
  - 2. If the vehicle has a lien noted on the title or in the SDcars system:
    - i. Dealer shows that payment has been tendered to the lienholder for the amount of the lien, proof that payment was made is a copy of the check and the certified return receipt mail card or a copy of the electronic payment (EFT payment).
      - 1) A lien that is the result of dealer inventory financing (floorplan) is not subject to this provision.
  - 3. If the dealer is required by law to obtain a South Dakota title before offering the vehicle for sale:
    - i. If the dealer applied for title through the electronic on-line title system **and** submitted the documents to the Department, they may sell the vehicle without a title in hand, <u>at their own discretion</u>.
      - 1) Dealer is still subject to title delivery defined in <u>32-3-7</u>.
      - 2) See <u>Title Requirements</u> section for explanation of when dealer is required to obtain a South Dakota title before sale of vehicles.

NOTE: SALE WITHOUT POSSESSION OF A TITLE DOES NOT RELIEVE A DEALER FROM THE REQUIREMENT TO DELIVER TITLE WITHIN 45 DAYS FROM DATE OF SALE.

# Out of state vehicles purchased for wholesale

- A. A dealer can purchase out of state vehicles for wholesale purposes; the dealer can reassign the out of state title if:
  - 1. The title(s) must be transferred to another licensed dealer within 45 days
  - 2. The vehicle(s) must not be displayed for retail sale on the dealer's lot
- B. The dealer that purchases the vehicle(s) for retail sale must make application for South Dakota title in the dealership name

## **Title Corrections**

- A. To correct titles issued with errors, the following is required to be sent to the DMV:
  - 1. The original title
  - 2. A statement of facts explaining the error and how it should be corrected
  - 3. \$10 title correction fee may apply
  - 4. Take all documents to county treasurer to forward to DMV or mail all documents and fee to:

SD DMV ATTN: CORRECTIONS 445 E. Capitol Ave Pierre, SD 57501

\*\*The dealer and owner are responsible for assuring that the issued title contains accurate and correct information.

64:28:10

## Unclaimed Vehicle due to Unpaid Repair Bill

- A. A person may apply for a title on a vehicle/boat that is left unclaimed, as the result of an unpaid repair bill on private property for a period of 30 days.
  - 1. Written notice of intent to apply for a title must be given the owner at the last known address, and any lienholder or identifiable insurer by certified mail.
  - 2. The notice is on a form prescribed by the department, Unclaimed Vehicle: Due to Unpaid Repair Bill.
- B. If an owner cannot be identified, a notice must be published once in a newspaper where the vehicle/boat was left for repair.
- C. Title will vest with the person to whom the unpaid repair bill is payable and who has complied with all the requirements after 30 days from the date the notice was sent.
- D. If the owner, insurer, or lienholder intends to reclaim the vehicle/boat, notification of intent to reclaim the vehicle/boat must be sent to the department and the repair facility within 30 days of receipt of the notice.
  - 1. If the vehicle/boat is not reclaimed or removed within 30 days after mailing of the notice of intent to reclaim the vehicle/boat, title irrevocably vests in the person to whom the repair bill is payable and who has complied with the requirements.
- E. The vehicle/boat must be sold at public auction and any excess money above settlement of the debt must be forwarded to the prior owner, insurer, and any other party with a legal interest in the vehicle/boat. It is not necessary to use an actual "auctioneer" to conduct the sale.
- F. If the owner, insurer, and any lienholders are unidentifiable or not able to be contacted, the excess money shall be sent to the state treasurer and treated as unclaimed property.
- G. An application for title; the green certified return receipt card, along with a copy of the completed form Unclaimed Vehicle: Due to Unpaid Repair Bill, or in the event the certified letter is returned unclaimed, the unopened letter and a copy of the Unclaimed Vehicle: Due to Unpaid Repair Bill; and a title fee are submitted to the county treasurer's office of the applicant's county of residence.

<u>32-3-67</u>; <u>32-3-69</u>; <u>32-3-68</u>

# Vehicles Imported from out of country

- A. Vehicles imported to the U.S. must pass through a port of entry and be cleared by U.S. Customs. For Customs clearance you will need:
  - 1. The shipper's or carrier's original bill of lading, the bill of sale, foreign registration, and any other documents covering the vehicle.
    - 2. You will also, need a completed EPA Form 3520, or a manufacturer's label in the English language affixed to the car, stating that the vehicle meets all U.S. emission requirements.
- B. CONFORMING VEHICLE (ONE THAT HAS A MANUFACTURER'S LABEL)
  - 1. US CBP-7501 (or other acceptable Entry Summary)
  - 2. NHTSA HS-7 DOT Declaration of Conformity
  - 3. Other supporting documentation (Title, Odometer, Bill of Sale)
  - 4. Lien Quest if a Canadian title document
- C. NON-CONFORMING (Vehicles that are held until meet safety standards) & (complete the 3520 form)
  - 1. US CBP-7501 (or other acceptable Entry Summary)
  - 2. NHTSA HS-7 DOT Declaration of Conformity
  - 3. Bond Release Letter from NHTSA (showing conformity) (EPA 3520 form)
  - 4. Lien Quest if a Canadian title document
  - 5. Other supporting documentation (Title, Odometer, Bill of Sale)
- D. NON-CONFORMING (WITHOUT A BOND RELEASE LETTER)
  - 1. All above documentation
  - 2. NHTSA Statement of Conformity
  - 3. Certificate of Fact from importer attesting NHTSA guidelines were followed- 30 day time period applies

# Junking Certificate/Parts only vehicle record

- A. Any owner of a motor vehicle that is being dismantled for the purpose of selling its parts shall apply for a junking certificate or shall have the record converted to a junking certificate/parts only record.
- B. A junking certificate is not issued on a manufactured home or a snowmobile.
- C. If an owner prefers that a vehicle be permanently removed from the roads and highways, a junking certificate may be applied for.
  - 1. If a junking certificate is issued for a motor vehicle, it may never be issued a regular title.
  - 2. Application for Junking Certificate:
    - i. The certificate of title must accompany an application for junking certificate.
    - ii. If the title shows any liens, the lienholder's consent to the issuance of the junking certificate shall be endorsed on the title.
    - iii. A title fee is required.
    - iv. The South Dakota driver's license or social security number of each applicant must be given. In the case of a company, the FEIN is required. If the company is a sole proprietorship, the owner's social security number or driver's license number may be used.
- D. In the event the vehicle displays valid plates, the owner should remove the plates. As long as the plates are valid (not expired), they may be assigned to a newly acquired vehicle, upon proper registration of the vehicle with the county treasurer.
  - 1. Once unattached, expired plates are no longer valid and should be destroyed.
- E. Procedure for "Parts Only Vehicle" record conversion.
  - 1. This procedure applies to South Dakota titled and out-of-state titled vehicles.
    - i. When a vehicle is being dismantled for the purpose of selling its parts, a recycler/salvage dealer may request that the Division of Motor Vehicles convert the vehicle's record to a "Junking Certificate/Parts Only" record.
    - ii. This shall be accomplished by stamping the front and back of the South Dakota

or out-of-state title as "parts only vehicle." Care should be taken to assure that pertinent title information is not covered by the stamp.

- iii. The stamp must contain the name and address of the dealer.
- iv. The original stamped title must be submitted to the division, with a copy of the front and back of the title (after stamping) being retained by the dealer (retention shall be for 5 years after the vehicle is dismantled).
- v. The division will cancel the title by using a code that designates the vehicle as a part's only vehicle. In this situation, a certificate of title is not issued.
- 2. When a stamped South Dakota or out-of-state title that has not been issued in the name of the dealer is submitted for conversion of the record to a "parts only vehicle," a title fee is assessed (fee must be submitted with title). The fee covers the cost of adding and/or updating a record to reflect current ownership information. A fee is not assessed when a South Dakota title that is already in the name of the dealer is submitted for conversion to a "parts only vehicle" record.
  - i. At the option of the dealer and in place of the above "parts only vehicle" record conversion procedure, when a vehicle is being dismantled for the purpose of selling its parts, application for a junk certificate of title shall be made. In this situation, a title is issued.

SAMPLE OF STAMP:
PARTS ONLY VEHICLE SMITH RECYCLING
000 MAIN
ANYTOWN USA

32-3-51.12; 32-3-51.17

### **Recovered Theft**

- A. If a stolen vehicle is recovered, the insurer or self-insurer, within 30 days of recovery, must inspect the vehicle and apply for a title as follows:
  - 1. If the vehicle has no damage or the damage is less than that defined in state law, the existing salvage title must be surrendered to the department. A title fee and a salvage/recovered theft disclosure statement must be completed. The department will issue a title marked as recovered theft with no salvage notation.
  - 2. If the condition of the vehicle is such that it would have been determined a salvage vehicle as defined in state law, due to the damage to the vehicle, the salvage title is retained and the insurer or self-insurer is not required to apply for a title pursuant to this section.

32-3-51.20

### Salvage Title

- A. Salvage Title (Effective July 1, 2015)
  - 1. Qualifying for a salvage title
    - i. A qualifying salvage motor vehicle includes: automobile, motor truck, motorcycles (onroad), house trailers (campers), and trailers.
    - ii. Vehicles that do not qualify for a salvage title include:
      - ATVs and other off-road vehicles
      - Dirt Bikes (off road)
      - Golf Carts
      - Dune Buggies
      - Humvees
      - Boats
  - iii. Vehicles more than 10 model years old or with a gross vehicle weight rating of more than 16,000 pounds are exempt from qualifying for a salvage title.
    - 2. If any insurer, in settlement of a total loss insurance claim, or self-insurer acquires ownership of a salvage vehicle that does not have a salvage title, the insurer must, within 30 days following acquisition of the title of that vehicle, surrender the title to the department.
      - i. A title indicating salvage will be issued to the insurer or self-insurer.
    - 3. If any insurer or self-insurer declares a vehicle to be a total loss but does not acquire ownership of the vehicle, the owner must obtain a salvage title.
      - i. The insurer or self-insurer must notify the owner, in writing, of the obligation to obtain a salvage title before the owner sells or transfers the title.
      - ii. If the owner sells or transfers the ownership of the vehicle without first obtaining a salvage title, the owner is guilty of a Class 1 misdemeanor.
    - 4. Any motor vehicle 16,000 pounds GVWR or less, regardless of the vehicle's age, that has a title branded as salvage or with any other similar brand by another state or jurisdiction, the applicant shall receive a salvage title, or at the option of the owner, a junking certificate.
    - 5. Out-of-state title brands are displayed on all titles in the previous state field.

32-3-51.19; 32-3-51.5

# **Odometer Requirements**

See <u>Record Keeping Requirements</u> section

# **Boat Titling**

See <u>Boats</u> section

## Advertising

The Department has rules to regulate the advertising of vehicles offered for sale by vehicle dealers. These rules concern the price advertising, availability and general advertising practice of selling motor vehicles.

61:24:07; 32-6B-63

#### **Definitions**

- A. The terms used in this section mean:
  - 1. **Advertising:** any oral, written, or graphic statement which offers for sale a particular vehicle or vehicle parts and services or which indicates the availability of a vehicle or vehicle goods or services. The term includes any statement or representation made in a newspaper, periodical, pamphlet, circular, other publication, or on a radio or television; contained in any notice, handbill, sign, billboard, poster, bill, catalog, or letter; or printed on or contained in any tag or label which is attached to a vehicle.
  - 2. **Clear and conspicuous:** presentation of statement, representation, or term in a manner that is easily understandable by the audience for whom it is intended; considering such factors as size, color, contrast, length, and time needed to read the advertisement
  - 3. **Rebate:** the payment of money by the manufacturer or dealer to a consumer or to a third party on behalf of a consumer on the condition that the consumer purchase or lease a motor vehicle
  - 4. **Warranty advertisement:** any advertisement in which a warranty or guarantee of a motor vehicle or any of its parts is offered in connection with the sale of the motor vehicle
  - 5. **Supplemental sticker:** a label other that the Monroney sticker affixed to a new motor vehicle displaying the offering price of the motor vehicle
  - 6. **Monroney sticker:** the label required by § 3 of the Automobile Information Disclosure Act, 15 U.S.C.S. §1232 (1982)
  - 7. **Offering price:** the full price at which the dealer will sell a motor vehicle, including any rebated but not including taxes, license fees, documentation fees, and registration costs
  - 8. **Taxes, license fee, and registration costs:** the taxes, charges, and fees payable to or collected on behalf of governmental agencies which are necessary for the transfer of an interest in a motor vehicle or for the use of a motor vehicle
  - 9. **Bait and switch:** an alluring but insincere offer to sell a product, the primary purpose of which is to obtain leads to persons interested in buying the advertised product in order to sell the person some other product at a higher price or on a basis of more advantageous to the advertiser

61:24:07:01; 32-6B-64

#### Use of the word "free"

- A. No dealer may use the term "free" or similar representations in advertising unless the advertiser complies with the Federal Trade Commission's "Guide Concerning Use of the Word 'Free' and Similar Representations"
  - 1. "Guide Concerning Use of the Word 'Free' and Similar Representations," 16 C.F.R. Part 251
- B. Certain provisions are required to use the term "free" in advertising
  - 1. If a product or service is usually sold at a price arrived at through bargaining or negotiation, it is improper to represent that another product or service is being offered for "free" with the sale
    - a. When a consumer sees or hears the word "free" it indicates that they are paying nothing for that article, or at least no more than regular price for the other
    - b. The consumer has the right to believe that the dealer will not directly and immediately recover all or part of the cost of the "free" merchandise or service by marking up the price of the article that the consumer has to buy to receive the free merchandise or service
      - i. Example: "Buy a used car Saturday only and get remote start installed for free" If the price of the car is \$2500 and the price of the remote start installation is \$100, the dealer cannot increase the price of the car to \$2600 to recover the cost of the remote start installation and still say the customer is getting the service for "free"

#### C. Similar terms

1. The terms and/or phrases "gift," "bonus," "at no charge," "given without charge," or any other term or phrase that tends to give the impression to the consumer that an article of merchandise or a service is "free," are not suitable substitutions for the term "free"

### Warranty Advertising

- A. If a warranty or guarantee is offered in an advertisement, the ad must disclose any limitation of the warranty or guarantee such as:
  - 1. The duration of the warranty or guarantee
  - 2. The inclusion or exclusion of service or labor charges
  - 3. The characteristics or properties of the motor vehicle or any part included or excluded
    - i. The advertisement must disclose whether the warranty or guarantee will be performed by repair, replacement, refund, or any other means
    - ii. The advertiser must also disclose whether the manner of performance is at the option of the advertiser

## Used vehicles

A. Used motor vehicles may not be advertised by any dealer in any manner that creates the impression the vehicle is new

#### Motor vehicle price disclosure

- A. An advertisement stating an offering price for a motor vehicle offered for sale must state the effective period of the advertisement
  - 1. Example: "Get a new Ford Fusion for \$15,000 if you buy before December 31st"
- B. A motor vehicle offered for sale bearing a Monroney sticker or a label stating the Manufacturer's Suggested Retail Price (MSRP) must have a supplemental sticker affixed stating the offering price of the vehicle, if the offering price is greater than the Monroney sticker price or the stated MSRP
- C. Any price stated in an advertisement or in a written or oral price quotation given to a prospective buyer is considered an offering price or, if the context so indicates, is considered the offering price plus taxes, license fees, documentary fees, and registration costs
- D. If an offering price applies to single or to a limited number of new or used vehicles, an advertisement stating the offering price must disclose the limitation
  - 1. Example: "Get one of three new Buick regals for only \$21,000"

#### Supplemental stickers

- A. Supplemental stickers are labels other than the Monroney sticker that are affixed to new motor vehicles and display the offering price of that vehicle
  - 1. A supplemental sticker may show only the offering price or the offering price and the itemized charges added to the Monroney sticker price or the MSRP to reach the offering price
  - 2. No charge may be added for goods or services not actually provided on the vehicle
- B. The following charges are prohibited
  - 1. Charges itemized and described for services required by the manufacturer or distributor to be performed by a dealer prior to the delivery of a motor vehicle to a retail buyer
  - 2. Overhead expenses such as:
    - i. warehousing
    - ii. floor planning
    - iii. advertising and clerical costs--except documentary fees
    - iv. Transportation costs charged by the manufacturer or distributor to the dealer and included in the Monroney sticker price or the MSRP
  - 3. The price difference between the offering price and the MSRP that does not represent additional goods or services should be described as
    - i. "additional dealer profits"
    - ii. "additional mark-up"
- C. A dealer cannot falsely represent the nature or amounts of charges listed on the sticker by:
  - 1. Listing charges for providing additional goods or services at a substantially higher rate than what the dealer would charge for the sale of the same or similar goods or services to other buyers

#### Advertising and sales presentation requirements

- A. South Dakota regulations clearly state the requirements for truthful advertising on the sale of new or used vehicles. An advertisement or sales presentation may not be used if it does any of the following:
  - 1. Obscures or makes misleading any material fact by using a different type size, style, location, sound, lighting, or color
  - 2. Misrepresents in any way the size, inventory, or nature of the business of the advertiser or seller; the expertise of the advertiser or seller or their agents or employees; or the ability or capacity of the advertiser or seller to offer price reductions
  - 3. Is part of a bait and switch plan
  - 4. Advertises the immediate availability of a new motor vehicle or related goods or services with the intent to not supply reasonably expected public demand
    - i. Unless the advertisement discloses the specific quantity available
    - ii. Example: "choose from three new models in stock"
  - 5. Advertises a specific motor vehicle for sale that the advertiser does not have in stock on the date the advertisement is placed unless the advertisement states "not in stock," "order yours now," or uses a similar phrase that clearly states the vehicle is not available for immediate delivery and indicates when delivery will be made
  - 6. Makes any representation or statement of fact that the advertiser or salesperson knows or should know is false and misleading
    - i. Or if the advertiser or salesperson does not have sufficient information upon which a reasonable belief in the truth of the representation could be based
  - 7. Advertises the sale, repair, or maintenance service of any motor vehicle without disclosing the business name and address of the advertiser or dealer
  - 8. Advertises a motor vehicle for sale without clearly disclosing the year, make, and model
  - 9. Advertises a motor vehicle for sale at a price or price comparison which represents less than the total price to be paid by a retail purchaser
    - i. Unless, the advertisement clearly states that the price is offered with reference to a trade-in, set-off, discount, or other method of price reduction
    - ii. Discloses the amount of the allowance
- B. A dealer may only advertise a specific price or range of prices that a dealer will pay for trade-in vehicles if:
  - 1. The advertisement specifies the criteria the dealer will use to determine the trade-in value of a particular vehicle
  - 2. The advertised price applies to all trade-in vehicles, regardless of condition and age
  - 3. The advertisement discloses any conditions trade-in vehicles must meet before the advertised price is paid

#### Bait and switch plans

- A. Evidence of bait and switch plans include:
  - 1. Refusing to show, display, sell, or otherwise provide the goods or services advertised in accordance with the terms of the advertisement
  - 2. Disparaging by act or word:
    - i. The advertised goods or services
    - ii. The warranty
    - iii. The credit terms
    - iv. The availability of service, repairs, or parts
    - v. Anything which in any other respect is a material fact connected with the sale of the advertised goods and services
  - 3. Refusing to take orders for advertised goods and services or taking orders at a price greater than the advertised price
  - 4. Showing, demonstrating, or delivering any advertised goods and services or taking orders at a price greater than the advertised price
  - 5. Accepting a deposit for any advertised goods or services, then switching the purchaser to a higher priced goods or services
  - 6. Failing to deliver the advertised goods and services within the promised delivery period
    - i. Exception: if the failure is caused by reasons beyond the control of the dealer

# Advertising at cost or invoice

A. T	erms and	phrases dea	lers may not	use to advertise	price include:
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- 1. "dealer cost"
- 2. "inventory price"
- 3. "factory invoice"
- 4. "invoice"
- 5. "wholesale"
- 6. "factory billing"
- 7. Any similar terms or phrases are also interpreted to mean "at cost or invoice price"

### Rebates and financing rates

- A. To advertise a manufacturer, distributor, or financial institutions' price incentives, the dealer must:
  - 1. Clearly and conspicuously disclose the contribution from the dealer to the manufacturer, distributor, or other financial institution
- B. To advertise dealer price incentives, the dealer must:
  - 1. Clearly and conspicuously disclose that the dealer pays for or finances the interest charge reduction
  - 2. Such an arrangement may affect the final negotiated price of the motor vehicle
- C. The term incentive may include:
  - 1. "rebate"
  - 2. "refund"
  - 3. "discount"
  - 4. Any like or similar terms and phrases

### Factory sales and wholesale prices

- A. South Dakota dealers are prohibited from advertising vehicles in any way that might indicate to the public the vehicles are being offered for sale by the manufacturer or distributor
- B. Dealer advertisements may not contain the following terms or phrases:
  - 1. "factory sale"
  - 2. "wholesale price"
  - 3. "dealer cost"
  - 4. "inventory price"
  - 5. "factory invoice"
  - 6. "invoice"
  - 7. "wholesale"
  - 8. "factory billing"
  - 9. Any similar term or phrase that indicate any kind of sale other than retail sales

#### **Definitions**

<u>Consumer</u>: the purchaser, other than for purposes of resale, of a new or previously untitled motor vehicle used in substantial part for personal, family, or household purposes, who is entitled by the terms of the warranty to enforce the obligations of the warranty

**Express warranty**: a written warranty, so labeled, issued by the manufacturer of a new motor vehicle, including any terms or conditions precedent to the enforcement of obligations under that warranty

**Lemon law rights period**: the period ending one year after the date of the original delivery of a motor vehicle to a consumer or the first twelve thousand miles of operation, whichever first occurs

<u>Manufacturer</u>: the person, firm, corporation, or limited liability company engaged in the business of manufacturing, importing, or distributing motor vehicles to be made available to a motor vehicle dealer for retail sale

**Motor vehicle**: every vehicle intended primarily for use and operation on the public highways which is self-propelled. The term does not apply to any motor home or to any motor vehicle having a manufacturer's gross vehicle weight rating of fifteen thousand pounds or more

Motor vehicle dealer or authorized dealer: any person operating under a dealer agreement from a manufacturer and licensed pursuant to chapter 32-6B

Nonconforming condition: any condition of a motor vehicle that is not in conformity with the terms of any express warranty issued by the manufacturer to a consumer and that significantly impairs the use, value, or safety of the motor vehicle and occurs or arises solely in the course of the ordinary use of the motor vehicle, and that does not arise or occur as a result of abuse, neglect, modification, or alteration of the motor vehicle not authorized by the manufacturer, nor from any accident or other damage to the motor vehicle which occurs or arises after the motor vehicle was delivered by an authorized dealer to the consumer

**Notice of a nonconforming condition**: a written statement delivered to the manufacturer and which describes the motor vehicle, the nonconforming condition, and all previous attempts to correct such nonconforming condition by identifying the person who made the attempt and the time the attempt was made.

### Obligation to repair nonconforming vehicle

- A. Any vehicle that does not conform to the standards set by the manufacturer must be repaired by the manufacturer or authorized dealer to remedy any nonconforming condition.
  - 1. The Lemon Law Rights period is the first 24 months from the date of delivery or the first 24,000 miles, whichever first.
  - 2. The manufacturer or authorized dealer is still obligated to make repairs if formal notice was given by the consumer before the expiration of the lemon law rights period.
    - i. Formal notice means the consumer delivered the vehicle to the manufacturer or authorized dealer and gave written notice on nonconformance.

### Refund or Replacement

- A. If the manufacturer or authorized dealer is unable to adequately repair the nonconforming vehicle to meet the manufacturer's warranty the dealer must, at the option of the consumer:
  - 1. Replace the motor vehicle with a comparable new motor vehicle
  - 2. Refund the consumer all collateral charges which includes:
    - i. Excise tax
    - ii. License and registration
    - iii. Any similar government fees paid for by the consumer to register the vehicle
  - 3. All finance charges incurred by the consumer
  - 4. Any incidental costs associated with alternative means of transportation during the time the consumer was without a vehicle because of the nonconforming condition
    - i. Bus fares, taxi fares, rental car fees

## Deductions from the total refund/formula

- A. Refunds are made to the consumer and lienholders
  - 1. The refund amount is determined by multiplying the full purchase price by # miles on vehicle before the formal notice of nonconformance divided by 100,000.
    - i. If the vehicle had 8,000 miles and full purchase price is \$24,000, then the formula is  $24,000 \times 8,000 / 100,000 = \$1,920$
    - ii. The total amount the manufacturer will deduct from the refund is \$1,920, this is determined to be the cost for the amount of use the consumer got out of the vehicle before the first report of nonconformance.

### Repairing nonconforming condition

- A. The manufacturer or authorized dealer has reasonably attempted to repair the nonconforming condition of the vehicle if:
  - 1. The vehicle was out of service and in possession of the manufacturer or authorized dealer due to repair attempts for a cumulative total of 30 days
    - i. Exceptions include conditions beyond the control of the manufacturer or authorized dealer, such as:
      - a. War, invasion, or strike
      - b. Fire, flood, or other natural disaster

#### Civil action against manufacturer

- A. A consumer that sustains damages (out of pocket expenses) due to the failure of the manufacturer or authorized dealer to perform its obligations to repair the nonconforming vehicle, may bring civil action against the manufacturer to enforce the provisions of the South Dakota Lemon Law if:
  - 1. Notice is given to the manufacturer in the form of certified mail, demanding correction or repair of the nonconforming condition
    - i. The manufacturer has 7 calendar days from the date notice is received to notify the consumer of a reasonably accessible repair facility
    - ii. From the time the nonconforming vehicle arrives at the repair facility by the consumer, the manufacturer or authorized dealer has 14 calendar days to attempt to repair the nonconforming condition
  - 2. Reasonable attempts to correct the nonconforming condition have been performed, and the manufacturer was given a final attempt to correct the nonconforming condition
- B. If a manufacturer started informal legal proceedings, in compliance with Federal rules and regulations, the consumer must first exhaust any remedy provided to the consumer under the informal legal proceedings before a cause of action can be initiated under the South Dakota lemon law

### Manufacturer's defenses to lemon law claims

- A. A valid defense to any claim against the manufacturer exists if:
  - 1. The nonconforming condition of the vehicle doesn't significantly impair:
    - i. the use of the motor vehicle
    - ii. market value of the motor vehicle
    - iii. safety of the motor vehicle
  - 2. The nonconforming condition is the result of:
    - i. Abuse of the motor vehicle
    - ii. Neglect of the motor vehicle
    - iii. Any modification or alteration of the motor vehicle not authorized by the manufacturer

## **Attorney Fees**

A. If the manufacturer failed to fulfill its' obligations to repair the nonconforming vehicle the consumer may recover reasonable attorney fees in addition to the refund of contract price, taxes, and license & registration fees

### Resale of manufacturer buy back vehicles

- A. If a vehicle is returned to the manufacturer under the lemon law in SD as the result of legal action or informal dispute, it can not be sold in this state unless:
  - 1. The manufacturer discloses in writing to the new purchaser that the vehicle was returned due to nonconformance to the manufacturer's warranty
  - 2. The nature of the nonconformity to the warranty is disclosed to the new purchaser
  - 3. The manufacturer makes application for and receives a title that is branded as MANUFACTURE BUY BACK
    - i. This brand will remain on all subsequent titles for the life of the vehicle
    - ii. The manufacture buy back brand indicates the vehicle was returned to the manufacturer because it did not conform to the warranty

## Liability of authorized dealer

- A. The manufacturer can not charge back or require reimbursement by an authorized motor vehicle dealer for any costs including:
  - 1. Any refunds or replacement costs incurred by the manufacturer
- B. Under the South Dakota lemon law the authorized dealer is not responsible for any action a consumer takes against a manufacturer

# Time limit for acting on lemon law

A. Any action brought on a manufacturer under the South Dakota lemon law must be started within 3 years following the original date of delivery of the motor vehicle to the consumer

#### Demonstration In-Transit Permits (Blue Plates)

- A. Any new or used vehicle owned by a licensed dealer bearing a demonstration in-transit permit (blue plate) may be driven for specified purposes:
  - 1. Travel to and from a service facility (repair shop, detail shop, gas station, car wash)
  - 2. Demonstration by a prospective buyer
    - i. Not more than three days
- B. Design of dealer blue plates
  - 1. Must be printed on blue paper
  - 2. Paper must be durable enough to maintain its shape and the clarity of the information printed on it
  - 3. Must be 5X8 in. long
  - 4. Printing must be centered horizontally and evenly spaced vertically
  - 5. "South Dakota" must be printed in 24-point universe **bold** letters at the top of the permit
  - 6. Under "South Dakota" in **20-point universe bold** letters the type of dealer must be printed (boat dealer, trailer dealer, motorcycle dealer, snowmobile dealer, vehicle dealer)
  - 7. Under the dealer type the assigned dealer number must be printed in one inch tall **bold letters and numbers.**
  - 8. Below the dealer number there must be a printed box one-half inch wide with the message "valid for dealer demonstration and in-transit only." The message must by printed in 20-point universe medium letters.
  - 9. Below the box must be the dealer name.
  - 10. Under the dealer name, in 24-point letters must be the dealer, city, and state.

32-6B-25; 32-6B-30; 61:24:04:05

## Trailer manufacturer in-transit permits

- A. Trailer manufacturers registered with the Department as a manufacturer of trailers may use in-transit permits to operate any of the manufacturer's trailers for the following reasons:
  - 1. In-transit purposes
  - 2. Travel to and from a service facility
- B. A manufacturer may not issue an in-transit purpose for any other reason than the ones indicated above

32-6B-66

#### Temporary license permit (white sold plates)

- A. Temporary 45 day license permits are issued when a car is sold by a licensed South Dakota dealer.
  - 1. Permit authorizes the use of a sold vehicle for a period of 45 days after the date of sale, or until the buyer applies for title and received regular metal license plates from the county treasurer.
    - i. Permit is surrendered if customer applies for title and receives plates from the county treasurer before the paper plate expires.
- B. Location of 45-day sold permit
  - 1. The permit must be affixed to the inside front window in the lower right corner and in the back window in the lower left corner.
  - 2. For motorcycles and trailers the permit must be affixed in the same manner a metal plate would be.
- C. Restrictions on dealer use of 45-day sold permits
  - 1. No dealer may use 45-day sold permits on any vehicle owned by the dealer
  - 2. No dealer may use or issue 45-day sold permits for any purpose other than for vehicles sold by the dealer
  - 3. No person can renew the 45-day sold permit
    - i. Violation is a Class 1 misdemeanor
- D. Design and requirements for 45-day sold permits
  - 1. Must be printed on white paper
  - 2. Must be no larger than 8.5X11 and no smaller than 4X6.25
  - 3. Print on the permit must be large enough to be clearly visible at 50 feet away
  - 4. Must indicate the state
  - 5. Expiration date of permit
  - 6. Dealer information
    - i. Dealer name, city, and state
    - ii. Dealer type and license number
  - 7. Vehicle description
    - i. VIN
    - ii. Year, make, model
  - 8. Purchase information
    - i. Date sold (Month, day, year)
    - ii. Name and address of buyer

32-6B-26; 61:24:04:07; 32-6B-27; 32-6B-29; 32-6B-30

Temporary	license	permit	extension
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A.

#### Dealer "77" license plates

- A. Any new or used vehicle owned by a licensed dealer bearing "77" metal license plates may be driven on the streets and highways for any purpose except:
  - 1. On vehicles used for lease or hire (commercial use)
  - 2. On wrecker trucks
  - 3. On service trucks
- B. "77" license plates are transferrable to any vehicle owned by the dealership
- C. Fees for dealer "77" plates
  - 1. \$101 per set/per year
  - 2. Fee for renewal of "77" plates is paid at the time of the annual dealer license renewal
- D. If a dealer's license is revoked, cancelled, or the dealer goes out-of-business all "77" plates must be returned to the Department

32-6B-21; 32-6B-22; 32-6B-24

#### Dealer "88" license plates

- A. Any new or used vehicle owned by a licensed dealer bearing "88" metal license plates may be driven on the streets and highways to transport dealer inventory. "88" plates <u>cannot</u> be used on:
- 1. Vehicles for lease or hire
  - 1. Wrecker trucks
  - 2. Service trucks
- B. Dealer "88" plates are transferrable to any vehicle owned by the dealership
- C. Fees for dealer "88" plates
  - 1. Fees are determined by the number of tons declared by the dealer, and based on the commercial fee schedule
  - 2. Fees for renewal of "88" plates is paid at the time of the annual dealer license renewal
- D. If the dealer's license is revoked, cancelled, or the dealer goes out-of-business all "88" plates must be returned to the Department

32-6B-22.1; 32-6B-22.2; 32-9-15; 32-6B-24

### Auction Agency "99" plates

- A. Any vehicle being transported to or from the auction agency's place of business bearing "99" metal license plates can be driven on the streets and highways for the purpose of transporting a vehicle(s) for sale or sold by the auction agency.
- B. Plates are transferrable by the auction agency from one vehicle to another for transporting purposes only.
- C. Fees for "99" plates
  - 1. \$101 per set/per year
  - 2. Fee for renewal of "99" plates is paid at the time of the annual dealer license renewal
- D. If a dealer's license is revoked, cancelled, or the dealer goes out-of-business all "99" plates must be returned to the Department

32-6B-36.3; 32-6B-36.4; 32-6B-24

#### Trailer and Motorcycle Dealer Plates

- A. Any licensed new or used trailer or motorcycle owned by a licensed dealer bearing a metal trailer/motorcycle plate can be driven/used on the streets and highways for any purpose
  - 1. Trailer/motorcycle plates may also be used by prospective buyers
- B. Trailer/motorcycle plates are transferrable to any trailer or motorcycle in the dealers inventory
- C. Trailer/motorcycle dealer plates are issued 1 plate, to be displayed on the rear of any motorcycle, trailer, semi-trailer, or travel trailer in dealer inventory
- D. Fee for trailer/motorcycle dealer plates
  - 1. \$24 per plate/per year
  - 2. Fee for renewal of trailer/motorcycle dealer plates is paid at the time of the annual dealer license renewal
- E. If a dealer's license is revoked, canceled, or the dealer goes out-of-business all trailer/motorcycle dealer plates must be returned to the Department

32-6B-23; 32-6B-24

# Snowmobile dealer plates

- A. Any new or used snowmobile owned by a licensed dealer may use snowmobile dealer plates in this state
- B. Snowmobile dealer plates are transferrable to any snowmobile in the dealership inventory
- C. Snowmobile dealer plates are issued by the Department and made of a durable material
  - 1. Snowmobile dealer plates are issued in sets, 2 must be displayed on each side of the snowmobile
- D. Fees for snowmobile dealer plates
  - 1. \$10 per set/per year
  - 2. Fee for renewal of snowmobile dealer plates is paid at the time of the annual dealer license renewal

32-6C-7; 32-6C-8

#### Mobile/Manufactured Home Dealer Plates

- A. New or used mobile/manufactured homes bearing a metal dealer plate may be transported on the streets and highways in this state for the purpose of transporting the mobile/manufactured home owned by a licensed dealer to:
  - 1. The dealer's place of business
  - 2. The purchaser of the mobile/manufactured home
  - 3. Between a dealer's place of business and supplemental or temporary supplemental lot
- B. Mobile/manufactured home dealer are transferrable to any mobile/manufactured home owned by the dealership
- C. Mobile/manufactured home dealers are issued a single plate to be placed on the rear of the home being transported
- D. Fees for mobile/manufactured home dealer plates
  - 1. \$10 per plate/per year
  - 2. Fee for renewal of mobile/manufactured home dealer plates is paid at the time of the annual dealer license renewal

32-7A-10; 32-7A-11

# **Boat Dealer Plates**

- A. Any new or used boat owned by a licensed dealer may use boat dealer plates for any purpose except
  - 1. Boats used for lease or rental
- B. Boat dealer plates are transferrable to any boat in the dealership inventory
- C. Boat dealer plates are issued by the Department and made of a durable material
  - 1. Boat dealer plate must be displayed on or carried in the boat
- D. Fees for boat dealer plates
  - 1. \$20 per set/per year
  - 2. Fee for renewal of boat dealer plates is paid at the time of the annual dealer license renewal

32-7B-10; 32-7B-11

### **Definitions**

**Leased vehicle**: a motor vehicle which is titled in the name of a leasing company or the individual who is leasing the motor vehicle which is leased for a period of more than twenty-eight days

**Rental vehicle**: a motor vehicle which is titled in the name of a rental company licensed under chapter 10-45 which is rented for twenty-eight days or less; or a trailer which is titled in the name of a rental company licensed under chapter 10-45 and that has an un-laden weight of nine thousand pounds or more, that is rented for six months or less, and that is not consecutively rented to the same person for more than one six-month period

<u>Closed Lease</u>: The terms of the lease are known at the time the lease contract is signed. A closed lease applies to vehicles with a gross vehicle weight rating of less than 16,000 pounds, motorcycles, and fertilizer vehicles, leased for more than 28 days.

**Open end Lease**: The terms of the lease are not certain at the time the contract is signed. An open end lease applies to vehicles with a gross vehicle weight rating of less than 16,000 pounds, motorcycles, and fertilizer vehicles, leased for more than 28 days.

32-5B-19

### Leasing and Rental Companies within dealerships

- A. Leasing and/or rental companies operated at the same principal place of business as a dealer:
  - 1. Is considered a separate and distinct business from the dealership
  - 2. Must have a separate and distinct name from the dealership
- B. Leasing company title, license, and tax requirements:
  - 1. Leasing company must title and license any vehicle that is leased for more than 28 days
  - 2. Title must be in a separate and distinct name from the dealership
  - 3. Leasing company or lessee is responsible for paying tax
- C. Rental company title, license, and tax requirements:
  - 1. Rental company must title and license any vehicle that is rented for 28 days or less
  - 2. Title must be in a separate and distinct name from the dealership
  - 3. Rental company is exempt from tax because motor vehicle gross receipts tax is collected upon the rental of the vehicle

32-5B-1.2

#### Titling and registration procedures for closed leases

- A. CLOSED LEASE (TERMS OF THE LEASE ARE KNOWN AT THE TIME THE CONTRACT IS EXECUTED). Vehicles with a gross vehicle weight rating of less than 16,000 pounds, motorcycles, and fertilizer vehicles, leased for more than 28 days.
  - 1. The lessor must title and license the vehicle. In the case of a leasing company within a dealership, the leasing company name must be separate and distinct from that of the dealership.
  - 2. The lessor and the lessee's name must appear on the title.
  - 3. Under plate with owner, either the lessor or the lessee is the owner of the plates and upon sale or transfer of the vehicle can remove the plates, which can then be attached to a newly acquired vehicle upon title and registration of the newly acquired vehicle through the county treasurer.
  - 4. The lessor or the lessee must pay the motor vehicle excise tax on the purchase price of the vehicle.
    - i. Purchase price on a leased vehicle that is a closed lease (terms of the lease are known at the time the contract is executed) is the total consideration whether received in money or otherwise. Total consideration is: all lease payments, including cash, rebates, the net trade-in, extended warranties, administrative fees, acquisition fees, or any other fees assessed on the purchase of the vehicle. Total consideration does not include: title fees, registration fees, vehicle excise tax, federal excise tax attributable to the sale of the vehicle to the owner or to the lease of the vehicle by the owner, insurance, and refundable deposits.
    - ii. Calculation of the tax shall be done on the tax worksheet entitled South Dakota Closed Lease Tax Worksheet. A copy of the worksheet must accompany the application for title and registration. The signature area must be completed on the worksheet or the purchase price must be certified on the application for title and registration.
    - iii. A copy of the lease agreement is required; however, leasing companies that lease to large companies/corporations for confidentiality reasons do not want to supply the 30 to 100 page lease agreement. In these situations, please obtain the attachment to the lease known as a Schedule A. As long as the Schedule A has the vehicle information, the lessor and lessee names, the terms of the lease (which includes the monthly payment, the dates involved, information about the end of the lease), and signatures of the lessor and lessee, the actual lease agreement is not required.
  - 5. If the term of the lease is extended or if the vehicle is leased for an additional period of time; excise tax is assessed on the additional lease payments and must be paid by the lessor.
    - i. If additional consideration is paid during the course of the lease or upon termination of the lease, the excise tax is assessed on such amount and is to be paid by the lessor.
      - 1) Additional consideration does not include a late fee that a lessor may assess a lessee on a late lease payment.
    - ii. The South Dakota tax worksheet entitled, South Dakota Extended or Additional Consideration Lease Tax Worksheet is to be used to remit the additional tax.
    - iii. The title does not have to be submitted but can be if the lessor wants the additional tax to be shown on the title. If the title is submitted a title fee is required.
  - 6. If the lessee buys the vehicle at the end of the lease, excise tax is assessed on the purchase price of the vehicle at the end of the lease.
    - i. The lessor/dealer must assign and deliver the title to the lessee along with an application certifying the purchase price of the vehicle and the required fees and taxes must be paid to the lessee's county treasurer's office.
    - ii. If a lease is terminated prior to the termination date contained in the lease agreement, no refund is given for tax previously paid.
    - iii. If prior to the expiration of a lease, the leased vehicle is destroyed by fire, accident or vandalism to the extent that it constitutes a total loss of the vehicle, credit for the lease tax paid for the period remaining on the previous lease is allowed if another vehicle is substituted under the original lease or a new lease is executed with the intent to replace the vehicle subject to the previous lease.

1)	The new lease or substituted vehicle under the original lease must be executed by the same lessor and lessee for lease of a vehicle of the same or similar make, model, year and options as the vehicle subject to the previous lease.
2)	The lease must be for the remaining lease period as the previous lease, for the same lease price and under the same lease terms as the previous lease.

# Titling and registration procedure for an open end lease

- A. OPEN-END LEASE (TERMS OF THE LEASE ARE NOT CERTAIN AT THE TIME THE LEASE IS EXECUTED OR THE LEASE IS OPEN-ENDED). Vehicles with a gross vehicle weight rating of less than 16,000 pounds, motorcycles, and fertilizer vehicles, leased for more than 28 days.
  - 1. The lessor must title and license the vehicle. In the case of a leasing company within a dealership, the leasing company name must be separate and distinct from that of the dealership.
  - 2. The lessor and the lessee's name must appear on the title.
  - 3. The lessor or the lessee must pay the motor vehicle excise tax on the purchase price of the vehicle.
    - i. Purchase price on a leased vehicle in which the terms of the lease are either not certain at the time the lease contract is executed or the lease is open-ended, shall be the total consideration whether received in money or otherwise. Total consideration includes the purchase price of the vehicle, plus cash, rebates, net trade-in, extended warranties, administrative fees, acquisition fees, or any other fees assessed on the purchase of the vehicle. Total consideration does not include title fees, registration fees, excise tax, federal excise tax, insurance, and refundable deposits.
    - ii. Credit is given for tax previously paid to another state. The applicant must submit proof of payment of the tax. The lessor and the lessee must remain the same.
    - iii. No lease tax worksheet is required on an open-end lease. A document from the lessor indicating it is an open-end lease must accompany the application for title.
    - iv. The purchase price of the vehicle is certified by the dealer on the application for title (MV608) or a purchase order must be submitted to substantiate the vehicles' purchase price.
    - v. Unless the lessee is not indicated on the paperwork, a copy of the lease agreement is not required.

### Titling and registration procedure for rental vehicles

- A. Vehicles rented for 28 days or are exempt from the motor vehicle excise tax less includes:
  - 1. Automobiles, pickups and vans 10,000 lbs. or less
    - i. Must be licensed according to the <u>noncommercial fee schedule</u>
    - ii. Must be licensed according to the manufacturer shipping weight
  - 2. Trailers with an empty or shipping weight of 9,000 lbs. or more
    - i. Trailers must be rented for a period of 6 months or less
    - ii. Trailers must display a trailer ID plate
- B. A <u>motor vehicle gross receipts tax</u> is collected from any person renting motor vehicles, including motorcycles, for 28 days or less
  - 1. This tax is in addition to any taxes levied pursuant to chapter  $\frac{10-45}{10-45D}$ , and  $\frac{10-52}{10-45D}$  on rentals for 28 days or less
  - 2. Exemption code 19 should be used on the application for title
  - 3. Title must be issued in the name of the rental company
  - 4. If the rental company is within a dealership, the rental company name must be <u>separate and distinct</u> from that of the dealership
  - 5. If the lessee is a rental company leasing vehicles for use in a daily rental operation, the rental company must be indicated on the title as the lessee
  - 6. Title applications on rental vehicles must include the rental company's sales tax number
- C. The rental company remits the gross receipts tax and the rental sales tax to the Sales Tax Office of the Department of Revenue on the Sales Tax Return

#### **Definitions**

<u>Auxiliary lot:</u> a physically separate location, such as a mobile home park, manufactured housing rental community, manufactured housing subdivision, or any residential lot, where a licensed dealer displays manufactured homes or mobile homes

<u>Dealer:</u> any person, other than a manufacturer of a mobile home or a manufactured home, who, for a commission or with the intent to make a profit or gain, sells, exchanges, rents with option to purchase, offers or attempts to negotiate a sale, or makes an exchange of a mobile or manufactured home or who is engaged in the business of selling mobile or manufactured homes

**Department:** the Department of Revenue

Manufactured home: a structure, transportable in one or more sections, which is eight feet or more in width or forty feet or more in length in the traveling mode, or is three hundred twenty or more square feet when erected on a site; which is built on a permanent chassis and designed to be used as a dwelling, with or without a permanent foundation, when connected to the required utilities; and which contains in it the plumbing, heating, air conditioning and electrical systems. The term includes any structure which has been certified by the secretary of housing and urban development as having complied with the National Manufactured Housing Construction and Safety Standards Act of 1974 as amended and in effect on January 1, 1984

<u>Mobile home:</u> a movable or portable unit, designed and constructed to be towed on its own chassis (comprised of frame and wheels), and designed to be connected to utilities for year-round occupancy. The term includes:

- (a) Units containing parts that may be folded, collapsed or telescoped when being towed and that may be expanded to provide additional cubic capacity; and
- (b) Units composed of two or more separately towable components designed to be joined into one integral unit capable of being separated again into the components for repeated towing;

**Supplemental lot:** a physically separate location owned and maintained by a licensed dealer within the same county as the principal place of business;

**Temporary supplemental lot:** a location other than the principal place of business or supplemental lot where a licensed dealer may conduct business for a period of time not to exceed ten consecutive days for a specific purpose such as fairs, auctions, shopping center promotions or tent sales. Such temporary supplemental lots shall meet all local zoning and building codes for the type of business being conducted.

32-7A-1

# Mobile/manufactured homes

- A. A mobile/manufactured home dealer is defined as any person other than a manufacturer of a mobile/manufactured home that is engaged in the business of selling mobile/manufactured homes, including:
  - 1. Intent to make a profit or gain
  - 2. Selling, exchanging, or renting with the option to buy
  - 3. Offering or attempting to negotiate a sale or exchange
- B. Principal place of business may not be:
  - 1. A tent, a temporary stand or other temporary quarters, permanent quarters occupied according to any temporary arrangement
- C. Principal place of business may be:
  - 1. Any mobile/manufactured home properly mounted either on a permanent foundation or properly anchored and blocked
  - 2. A residence within or adjacent to the dealer's mobile/manufactured home park
    - i. Unless prohibited by zoning or local ordinances

32-7A-2

# Auxiliary/Supplemental lots

- A. A licensed mobile/manufactured home dealer selling homes from a location other than the principal place of business must:
  - 1. Obtain a supplemental license for each supplemental lot not adjoining to the location of the original license
  - 2. Be located within the county of the principal place of business
- B. Any mobile/manufactured home located on an auxiliary lot must:
  - 1. Meet local zoning codes/ordinances
    - i. May be located outside the county of principal place of business

32-7A-3.1

# Temporary locations

- A. A licensed dealer may use temporary locations other than the principal place of business or supplemental lots:
  - 1. For a time period not to exceed 10 consecutive days
  - 2. For a specific purpose such as:
    - i. Fairs, farm and home shows, auctions, shopping center promotions, or tent sales
  - 3. If the location meets all local zoning codes/ordinances for the type of business being conducted

32-7A-3.2

# Transportation of mobile/manufactured homes

- A. New or used mobile/manufactured homes may be transported on the streets and highways in this state for the purpose of transporting the mobile/manufactured home owned by a licensed dealer to:
  - 1. The dealer's place of business
  - 2. The purchaser of the mobile/manufactured home
  - 3. Between a dealer's place of business and supplemental or temporary supplemental lot

32-7A-11

# Title Delivery

- A. A dealer may offer for sale, sell, or exchange a mobile/manufactured home without a certificate of title if the dealer complies with the following applicable provisions:
  - 1. A record of the purchase, sale or exchange of the mobile/manufactured home, with proof of purchase agreement or bill of sale
  - 2. Satisfied any outstanding liens or encumbrances [proof of satisfaction of a lien must be a copy of the check and the certified return receipt mail card or the confirmation number, if payment is made electronically]
    - i. Except a lien that is the result of dealer inventory financing
  - 3. Secure power of attorney
  - 4. This **does not** relieve the dealer from the provisions of <u>32-3-7</u>
- B. If a licensed dealer sells a new or used mobile/manufactured home, the dealer must deliver to the purchaser's county treasurer within 45 days:
  - 1. The MSO/MCO or title
  - 2. Required fees for initial registration
  - 3. All completed supplemental documents

32-7A-12.1; 32-3-3.1

# Lien payoffs

- A. If the mobile/manufactured home has a lien noted on the title or in the SDcars system:
  - 1. Dealer must pay off the lien within 10 days
    - i. Failure to satisfy the lien within 10 days constitutes theft, defined in 22-30A
  - 2. Dealer must show that payment has been tendered to the lienholder for the amount of the lien, proof that payment was made is a copy of the check and the certified return receipt mail card or a copy of the electronic payment (EFT payment).
    - i. A lien that is the result of dealer inventory financing (floorplan) is not subject to this provision.

32-7A-12.2; 32-7A-12.3

# Boat Dealer defined

- A. A boat dealer is defined as any person engaged wholly or in part in the business of selling new or used boats with intent to:
  - 1. Make a profit or gain
  - 2. Sell, exchange, rent, or lease with option to purchase
  - 3. Offer or attempt to negotiate a sale or exchange of new or used boats
- B. Licensed boat dealers may sell or exchange new and used boat trailers without obtaining an additional trailer dealer license

32-7B-1; 32-7B-3

# Principal place of business

- A. Requirements for principal place of business:
  - 1. Must be an enclosed commercial structure located within South Dakota
  - 2. Open to the public at reasonable times
  - 3. Must have a display area adjoining the dealership large enough to display 5 or more boats
  - 4. Must adhere to all building codes, zoning, and other land use ordinances
  - 5. Books, records, and files must be kept and maintained at the location
- B. Principal place of business may not be:
  - 1. Rooms in a hotel or motel
  - 2. Apartment, house, or any part of and single or multiple unit dwelling house
    - i. Exception: permissible if the entire ground floor is dedicated to the dealership

32-7B-21

# Supplemental lots

- A. A licensed boat dealer selling boats from a location other than the principal place of business must:
  - 1. Obtain a supplemental license for each supplemental lot not adjoining to the location of the original license
  - 2. Be located within the county of the principal place of business
  - 3. Adhere to local zoning codes/ordinances
- B. Supplemental lots may be:
  - 1. Unimproved lots for sale, storage, and display of boats

32-7B-23

# New Boat Dealer

- A. New boat dealers must provide proof of franchise to the Department
  - 1. Proof is a copy of the contract between the dealer and the manufacturer
  - 2. When the contract is filed with the Department the manufacturer and boat make is listed on the dealer license

32-7B-7

### Lien Payoff

- A. A dealer may offer for sale, sell, or exchange a boat without a certificate of title if the dealer complies with the following applicable provisions:
  - 1. A record of the purchase, sale or exchange of the boat, with proof of purchase agreement or bill of sale
  - 2. Satisfied any outstanding liens or encumbrances [proof of satisfaction of a lien must be a copy of the check and the certified return receipt mail card or the confirmation number, if payment is made electronically]
    - i. Except a lien that is the result of dealer inventory financing
  - 3. Secure power of attorney
  - 4. This **does not** relieve the dealer from the provisions of <u>32-3-7</u>
- B. If the boat has a lien noted on the title or in the SDcars system:
  - 1. Dealer must pay off the lien within 10 days
    - i. Failure to satisfy the lien within 10 days constitutes theft, defined in 22-30A
  - 1. Dealer must show that payment has been tendered to the lienholder for the amount of the lien, proof that payment was made is a copy of the check and the certified return receipt mail card or a copy of the electronic payment (EFT payment).
    - i. A lien that is the result of dealer inventory financing (floorplan) is not subject to this provision.

32-7B-9.1; 32-7B-9.2; 32-7B-9.3

### Snowmobile dealer

- A. A snowmobile dealer is defined as any person engaged wholly or in part in the business of selling new or used snowmobiles with intent to:
  - 1. Make a profit or gain
  - 2. Sell, exchange, rent, or lease with option to purchase
  - 3. Offer or attempt to negotiate a sale or exchange of new or used snowmobiles

<u>32-6C-1</u>

#### Consignment Sales by dealers or public auctions

- A. Consignment is defined as the delivery of a vehicle by the owner into the possession of another without transfer of the title for the purpose of sale or where there is any condition that the purchaser does not have an absolute obligation to pay for the vehicle/boat or has the right to return the vehicle to the seller
- B. Public auction is defined as a business that is open to the public where South Dakota titled motor vehicles/boats are consigned, displayed, and auctioned to the highest bidder by an auctioneer
  - 1. Auctioneer is defined as a person who presides over a public auction where following an initial starting price, bids are taken from 2 or more people until a final bid is established for a motor vehicle/boat
- C. Any dealer or public auction may sell or offer to sell vehicles on consignment only if:
  - 1. The vehicles have South Dakota titles
  - 2. The dealer is licensed for the type of vehicle being sold
  - 3. A consignment contract is completed by the owner and the dealer
    - i. No person may sell or offer to sell on consignment a vehicle that the MSO/MCO has not been transferred
- D. Types of vehicles eligible to be sold on consignment include
  - 1. Motorcycles
  - 2. Trailers
  - 3. Snowmobiles
  - 4. Boats
  - 5. Mobile/manufactured homes
- E. South Dakota licensed dealers may display vehicles outside their county of license if:
  - 1. The vehicles being consigned or displayed are 20 model years old or older
  - 2. No additional license is required
- F. Vehicles sold on consignment:
  - 1. Must display current, active, South Dakota license plates, registered in the name of the consignor (owner)
  - 2. Must have current insurance on the vehicle in the name of the owner
  - 3. Must not display any temporary, paper or metal plates assigned to the dealership

32-6B-3; 32-6B-17

# Requirements of consignment contracts

- A. All consignment contracts in South Dakota must contain:
  - 1. The name and address of the consignor (the owner)
  - 2. The name and address of the consignee (the dealer or auctioneer)
  - 3. The title number, year, make, model, and serial number of the vehicle/boat
  - 4. Completed odometer disclosure
    - i. Only applies to motor vehicles 9 model years and newer
  - 5. The agreed upon price or price range
  - 6. The agreed upon amount that the owner must pay to the dealer or auctioneer
  - 7. The length of time the vehicle/boat will be with the dealer or auctioneer
  - 8. Disclosure by the dealer or auctioneer that the sale
  - 9. The signature of the owner and the dealer or auctioneer
  - 10. If applicable, the lienholder's information

61:24:03:05

### Record keeping requirements

- A. Records and documents required **before** public auction
  - 1. South Dakota title in the name of the consignor (owner)
  - 2. Completed and signed consignment sales contract
  - 3. Odometer reading certified by the consignor (owner)
    - i. Applies to vehicles 9 model years and newer
  - 4. Notice of title brand
    - i. Salvage, rebuilt, manufacturer buyback, etc.
    - ii. Vehicles with a damage disclosure
  - 5. Written consent from lienholder--if there is a lienholder on the title
  - 6. Vehicles sold by licensed dealers on consignment must display the Federal FTC Buyer Guide
- B. Records and documents required at the time of the sale of the vehicle/boat at public auction or dealership
  - 1. Properly assigned South Dakota title
    - i. The title must be signed by the consignor (owner)
  - 2. Bill of sale
  - 3. Proof of lien satisfaction
    - i. When there is a lien indicated on the title
    - ii. A dealer or auctioneer must have written consent from lienholder before entering into a consignment contract
  - 4. Seller's permit
    - i. Must be provided by the consignor (owner)
    - ii. Dealer may not assign a temporary license permit (sold plate) to any vehicles sold on consignment
- C. Records **required to be kept** by dealer and public auction
  - 1. Copies of all documents for each consignment sale including the consignment contract
    - i. Records must be maintained for a period of 5 years
  - 2. Refer to the record keeping section for a full list of documents dealers and public auctions must keep

32-6B-37.1

#### **Definitions**

**Department:** the Department of Revenue

<u>Disclose:</u> to knowingly engage in any practice or conduct to make available and make known personal information contained in a motor vehicle record about a person to any other person, organization, or entity, by any means of communication

**Express consent:** consent in writing, and includes consent that is conveyed electronically that bears an electronic signature

<u>Individual record:</u> a motor vehicle record containing personal information about a designated person who is the subject of the record as identified in a request

<u>Motor vehicle record:</u> any record that pertains to a motor vehicle registration, motor vehicle title, or document issued by the department or any other state or local agency authorized to issue any such forms of credentials

<u>Personal information:</u> information that identifies a person, including a social security number, driver identification number, name, address (but not the five-digit zip code), telephone number, and medical or disability information, but does not include information on vehicular accidents, driving or equipment-related violations, or registration status

**Record:** includes any book, paper, photograph, photostat, card, film, tape, recording, electronic data, printout, or other documentary material regardless of physical form or characteristics.

\*\*Statutes pertaining to DPPA are 32-5-143--32-5-150

32-5-143; 32-5-144; 32-5-145; 32-5-146; 32-5-147; 32-5-148; 32-5-149; 32-5-150

# Disclosure of personal information

- A. Personal information gathered from motor vehicle records <u>may not be disclosed</u> by any employee of the Department, or any agent acting on behalf of the Department including county treasurer staff and dealers
- B. What is the Driver's Privacy and Protection Act?
  - 1. A law enacted by Congress in 1994 to restrict state governments and their agents (county officials and dealers) from disclosing personal information about any persons' or entities' motor vehicle records
  - 2. The DPPA is a Federal law, enforced by SDCL 32-5-143--32-5-150
- C. Why was the DPPA enacted?
  - 1. To protect personal information personal information from being available to the general public after a local DMV provided an address of an individual who was stalked and murdered
- D. The DPPA restricts the following:
  - 1. Use of vehicle plate numbers or VIN to search owner's name
  - 2. Use of a name of a driver to find the mailing or physical address of the driver
  - 3. A search for names and addresses of previous owners of vehicles

32-5-143; 32-5-144; 32-5-145; 32-5-146; 32-5-147; 32-5-148; 32-5-149; 32-5-150

### Authorizations to disclose personal information

- A. Personal information gathered from motor vehicle records may only be disclosed when a DPPA form is submitted and the requestor is authorized to receive the information
  - 1. DPPA requests are submitted to the MVD in Pierre for the approval/denial process
    - i. Approved requests will receive the information from our office
    - ii. Denied requests will receive a letter explaining the reason(s) for denial
- B. Qualifying reasons to receive personal information from vehicle records include:
  - 1. In South Dakota there are 8 exceptions to disclosing personal information from vehicle records, these 8 "exceptions" are the qualifications that authorize a requestor to receive personal information
    - i. For use by the record holder, or by the record holder's direct authorization
    - ii. For use by any Government agency
    - iii. For use by any legitimate business to carry out normal functions of the business, but only to:
      - a. Verify accuracy of personal information submitted by the individual
      - b. Obtain correct information to prevent fraud, pursue legal action, or recover debts from the individual
    - iv. For use in civil, criminal, administrative, or arbitral legal processes leading up to court proceedings
    - v. For use by insurers or their agents in connection with claims investigation activities, anti-fraud activities, rating, or underwriting
    - vi. For use by any licensed towing agencies to notify owners and lienholders of towed, impounded, or abandoned vehicles
    - vii. For use by any licensed private investigative agency
    - viii. For use by any employer to obtain or verify CDL information

<u>32-5-143</u>; <u>32-5-144</u>; <u>32-5-145</u>; <u>32-5-146</u>; <u>32-5-147</u>; <u>32-5-148</u>; <u>32-5-149</u>; <u>32-5-150</u>

#### **Penalties**

- A. The department can deny dealer license applications for the following reasons:
  - 1. Intentional false statements on the dealer license application
  - 2. Conviction of a felony involving snowmobile, vehicle, boat theft in the last 5 years
  - 3. Conviction of odometer fraud in the last 5 years
- B. The department can issue a cease and desist order for the following reasons:
  - 1. Any violation of any South Dakota law that relates to dealing in mobile manufactured homes, snowmobiles, vehicles, motorcycles, off-road vehicles, trailers, or boats, specifically:
    - i. Failure to apply for title transfers as required by 32-3, 32-3A, and 32-20A
  - 2. Failure to comply with any administrative rule set forth by the department
  - 3. Any act of fraud or misleading and/or deceptive business practices or advertising to any person as a result of dealing in mobile manufactured homes, snowmobiles, vehicles, motorcycles, off-road vehicles, trailers, or boats
  - 4. Failure to allow inspections by department agents, including:
    - i. Initial set-up meeting and test
    - ii. Annual inspections
    - iii. Complaint investigations
    - iv. Necessary follow up with department agents
  - 5. Failure to comply with the terms of any written contract in regard to the sale of a mobile manufactured home, snowmobile, vehicle, motorcycle, trailer, off-road vehicle, or boat
  - 6. Nonrenewal of surety bond or lack of participation in dealer asset pool
  - 7. Failure to maintain and continuously occupy a principal place of business
  - 8. Nonrenewal of public liability insurance policy
    - i. Policy must not be less than \$300,000
- C. Cease and Desist Orders are effective for a 2 year period
  - 1. Any subsequent cease and desist order in the same 2 year period for the same violation will result in a monetary penalty
  - 2. A dealer has 20 days after receipt of the cease and desist order to request a hearing
    - i. The request must be in writing and forwarded to the department
    - ii. Hearings are heard by the Office of Hearing Examiners
- D. License suspension and revocation

1.	The department may suspend	a dealer's license for 30	days for noncompliance
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E.	If a	deal	lers l	license	is s	uspend	led	or revo	ked	the	dea	ler mı	ıst r	eturn	the	deale	er co	ertifi	cate (	of l	icens	se an	d al	l metal
	plat	es a	ssig	ned to	the	dealers	ship																	



#### SD EForm - 1674 V12



#### State of South Dakota

**Division of Motor Vehicles** 

445 E. Capitol Avenue Pierre, SD 57501

605-773-3541 | http://dor.sd.gov/Motor\_Vehicles/

# VALIDATION AND OFFICE USE ONLY

		Application for S	South Dakota Dealer	License	
A	attach bond, insurance certifi	apply for more than one type of dealer lice icate, zoning approval and lease agreen			
В	New: Vehicle	Motorcycle/Off-Road	railer Mobile Home [	Snowmobile	Boat
Type of License	Used: Vehicle  Misc: Car Auction Ager		railer Mobile Home [ ler: In State Out of Sta	Snowmobile Ite Final Stage	Boat Manufacturer Dealer
	Existing License Number	rs at Same Location:			
Dealership Information	Name of Dealership		FEIN#		
	Mailing Address		City	State	Zip Code
	Home Phone #	Fax #	Business Phone # Emai	il	
Is the	place of business owned by the app		Leased? Yes No (If yes, a		accompany the application)
	Physical Business Address		City	State	Zip Code
	List address(s) of supplemental k	ot(s)			
	List address(s) of all mobile hom	e/manufactured home auxiliary lot(s)			
D Franchise -	Franchise	Data (Attach separate shee	et as needed)		
Data	Type of Vehicle	Manufacturer	Factory Sales Rep (FSR)	FSR Office Ad	dress and Phone
1					
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	Proper Surety Bonds are rea	uired for business operation. Indicat	e bond method to be used on ini	tial application and a	ttach original bond
Bond Data	Surety Bond	Bonding Pool	Car Auction Agency Su		original condi
	Bond Number	Bond Amount	Bond Company Na	ame	
	Bonding Company Mailing	Address City	State Zip C	Code E	Bond Company Phone
	Individual Dartnardsis /Lie	t Partners) Corporation (List Officers)	TLLC (Liet Individuals)		
Orange to the	Name Partnership (Lis		Driver License #/ SSN#		DOB
Ownership Data	Name		Driver License #/ SSN#		DOB
	Name		Driver License #/ SSN#		DOB
	Name		Driver License #/ SSN#		DOB

•					
	Y N				
G		cipal place of business and any rdinances? Verification must be		conformance with all applie	cable building codes, zoning and
Business Description	Is the prin	cipal place of business where th	e books, records and files neces	ssary to conduct the business	are kept?
		principal place of business have the white or yellow pages?	a telephone that is maintained	at the dealership, and is the	telephone number for the dealership
		cipal place of business being ma st hours of operation below:	intained and continuously occup	pied and business hours post	ed in a conspicuous place in view of the
	Sun t	o Mon to Tu	es to to to	Thursto F	ri to Sat to
				ailable at all reasonable hou	rs to inspection by the department?
		cipal place of business in the re		f not loss than three hundred	thousand dollars if applicable?
	Does the	business maintain a service facilities of service area:			mousant donars if applicable?
		ot(s) for display of the vehicles	/boats afford sufficient space to	store five or more vehicles	s/boats?
			member officer or financial su	apporter for a dealer license	been convicted of a felony in the last 5
	Do you ha	ave on file a franchise agreemen	t from the manufacturer for eve	ery line of new vehicle you	are offering for sale?
		ised dealer, is there any other list dealer's name(s):	censed dealer within your *con	nmunity franchised to sell th	te same line-make of vehicle?
		ervice being used to do on-line title service:	itle transactions?		
	*"Community" as define dealership.	d under SDCL 32-6B-1(4): the franchise	ee's area of responsibility as stipulated	in the franchise. A community has	a minimum radius of ten miles around an existing
		atures appear below are authorized to s AME AND SIGN IN INK)	ign certificates of title in our name un	til the Office of Dealer Licensing	receives notification to the contrary.
Signatures	Print Name		Signature		SD Drivers License No. or SSN
	Print Name		Signature		SD Drivers License No. or SSN
	Print Name		Signature		SD Drivers License No. or SSN
	Print Name		Signature		SD Drivers License No. or SSN
	List the name and ad-	dress of bank(s) or financial institu	tions(s) that your dealership floor	r plans or wholesale finances wi	th.
	STAGGERED LICEN	SE RENEWAL - PLEASE LIST M	ONTH IN WHICH YOU PREFER	TO RENEW UNDER A STAG	GERED LICENSE RENEWAL SYSTEM.
	ALL LICENSES YOU	POSSESS:			
	I consent to allow period I am aware that I must n	tic inspections of the dealership by the otify the department in the event I mov is to the questions and statements above	Office of Dealer Licensing. e the location of my business or if I pla	an on going out of business (30 day	tion pertinent to my license application.  ys in advance).  ply with laws, rules, and regulations governing
	Signature		Title		Date
License Cost	Tyr	oe of Dealer License	New Applicant	Renewal	Amount Of Bond Required
Electise Gost	Nev	and Use Motor Vehicle Dealer bile Home Dealer	\$300.00 \$300.00	\$175.00 \$150.00	\$25,000 \$25,000
	Mot	orcycle/Off-Road Vehicle Dealer	\$250.00	\$150.00	\$ 5,000
	Trai	wmobile Dealer Ier Dealer	\$150.00	\$125.00	\$ 5,000
		0 pounds and under 01 pounds and over	\$125.00 \$125.00	\$100.00 \$100.00	NONE \$10,000
	Dea	lers Car Auction Agency	\$300.00	\$175.00	\$50,000
		t Dealer ergency Vehicle Dealer	\$250.00 \$300.00	\$175.00 \$175.00	\$20,000 \$10,000
	Fina	ll Stage Manufacturer Dealer	\$300.00	\$175.00	\$25,000

#### MOTOR VEHICLE TITLE INFORMATION CONFIDENTIALITY AND USE AGREEMENT

Department of Revenue, Division of Motor Vehicles 445 East Capitol Avenue, Pierre, SD 57501-3185 605/773-3541

Dealership			
Dealership Address	City	State	Zip Code
*			
SD Dealer License Number(s) (if multiple dealer licens		must be listed):	



The Department of Revenue, Division of Motor Vehicles (DMV) is authorized to provide licensed South Dakota Dealers (Dealers) with Internet on-line access to the state's computer system for retrieval of motor vehicle information and entry of sales transactions directly on-line to the system. The DMV's purpose in providing access to this information is to facilitate the processes by which motor vehicle titles are validated and motor vehicle title applications are prepared. To be authorized to use the services provided by DMV, Dealers must agree to the following terms and conditions:

#### **Terms and Conditions**

- Dealers shall only use the motor vehicle title information for legitimate dealer business activities as specified in the Driver Privacy Protection Act and South Dakota Codified Law. Specific authorized uses are: verifying the accuracy of motor vehicle titles and preparing motor vehicle title applications.
- 2. Dealers shall not sell, assign, or transfer to anyone any motor vehicle title information in any form.
- 3. Dealers will share motor vehicle title information with customers and other parties only to the extent necessary to conduct normal, legitimate business activities relating to the application for title.
- Dealers shall destroy or render useless all printouts of motor vehicle title information after they have served their legitimate business purposes.
- Dealers are responsible for anyone who accesses the information using their dealership account number. The DMV requires that the dealer have signed confidentiality agreements with each employee that has access to the system.

I understand and agree to the terms and conditions stated above. I further understand that my failing to comply with the above terms and conditions could result in action taken against my dealership.

Nama (nrint)	Title	_
Name (print)	Title	
Signature of Authorized Representative:	Date	_

MV-096 06/16

#### Section A. Dealer Information

#### SERVICE AGREEMENT

DEPARTMENT OF REVENUE, DIVISION OF MOTOR VEHICLES 445 East Capitol Avenue, Pierre SD 57501-3185 605-773-3541

Deale	ership				
Cont	act Name (print)		Title		
Δ dd	Iress		City	State	Zip
Add	11035		City	31111	Zip
SD De	aler License Number(s) (if mult	tiple dealer licenses within	same location, all de	aler numbers mus	t he listed):
SD DC	arer Electise (valider(s) (if mair	upic dedici ficenses within	i same rocation, an de	arei numbers mus	it be listed).
T. 1 . 1	"			E 14 11	
Telepl	none #	FAX#		E-Mail	
Acco DM reco	ject to the provisions herein, the ensed Dealer (Dealer) named herein to logon to the system for on-line Fees:  V shall provide Dealer with the needed and the electronic filing of Sourapproved by the DMV.	n, a nonexclusive and nonass Record retrieval.	ignable authorization to System and user docum	use the DMV Inter-	net computer syste South Dakota title
Accordant Accord	ensed Dealer (Dealer) named hereing to logon to the system for on-line F ess: V shall provide Dealer with the near rds and the electronic filing of Sou	n, a nonexclusive and nonass Record retrieval.  cessary User ID to access the th Dakota title forms is restrictly a second retrieval by the Dealer I pects of this Agreement at its  for lawful business related per the System shall be used exclusive the Dealer shall make the Dealer shall	System and user documented to Dealers in good so discretion and with minurposes. Dealer shall on usively by the Dealer and er and its employees known as the second of the	entation. Access to tanding with the Daing announcement imum prior notice.  y reuse a record ob the Dealer's employedgeable regardi	South Dakota title MV and for only the on the System. Dakota tained from the Sy oyees. The Dealer ng all laws and
Accordance	ensed Dealer (Dealer) named hereing to logon to the system for on-line Feess:  V shall provide Dealer with the new reds and the electronic filing of Sourapproved by the DMV.  Ification: V may modify this Agreement or rediscontinue or revise any or all aspler's Duties: Dealer shall only request a Record awful business related purposes. The allow others to logon to the System dilations related to Record use and the state of the system dilations related to Record use and the system dilations related to Record use and the system of the system dilations related to Record use and the system of the system dilations related to Record use and the system of the system dilations related to Record use and the system of the system dilations related to Record use and the system of the syst	n, a nonexclusive and nonass Record retrieval.  cessary User ID to access the th Dakota title forms is restri- ules by notifying the Dealer be- pects of this Agreement at its  for lawful business related pe the System shall be used exchange the pealer shall make the Dealer shall make the Dealer eretention and shall comply as access to the System.	System and user documented to Dealers in good so discretion and with minurposes. Dealer shall on usively by the Dealer and its employees know with the same. Dealer s	entation. Access to tanding with the Diagram on time prior notice.  y reuse a record oblithe Dealer's employedgeable regardinall have signed contains the prior to the Dealer's employedgeable regardinall have signed contains the prior to the Dealer's employedgeable regardinall have signed contains the prior to the pr	South Dakota title MV and for only the on the System. Dakota tained from the Sy oyees. The Dealer ng all laws and
According Accord	ensed Dealer (Dealer) named hereing to logon to the system for on-line Feess:  V shall provide Dealer with the new rds and the electronic filing of Sourapproved by the DMV.  Iffication:  V may modify this Agreement or rediscontinue or revise any or all aspler's Duties:  Dealer shall only request a Record awful business related purposes. The allow others to logon to the System elations related to Record use and the ments with each employee that has impment:	n, a nonexclusive and nonass Record retrieval.  cessary User ID to access the th Dakota title forms is restrictly also by notifying the Dealer I pects of this Agreement at its  for lawful business related per the System shall be used exclusive the Dealer shall make the Dealer shall comply as access to the System.	System and user documented to Dealers in good so by first class mail or post discretion and with minurposes. Dealer shall on usively by the Dealer and er and its employees know with the same. Dealer shall on same the same of the same	entation. Access to tanding with the Daining announcement imum prior notice.  The Dealer's employed geard in the Dealer's employed geable regardinall have signed constem.	South Dakota title MV and for only th on the System. DA tained from the Sy oyees. The Dealer ng all laws and infidentiality
Lice and Acc. DM reco uses Notin DM may Deal The for I not a regu agre Equi The Assi The information of the second term of the	ess: V shall provide Dealer with the necroits and the electronic filing of Sourapproved by the DMV.  Iffication: V may modify this Agreement or rediscontinue or revise any or all aspler's Duties: Dealer shall only request a Record awful business related purposes. The allow others to logon to the System elations related to Record use and the ements with each employee that ha ipment: Dealer is responsible for and must ignment: Dealer's right to use the System is remation from the System for business.	n, a nonexclusive and nonass Record retrieval.  cessary User ID to access the th Dakota title forms is restricted by notifying the Dealer I pects of this Agreement at its of the System shall be used exclusive access to the System.  provide all equipment necessory transferable and is limited ess purposes.	System and user documented to Dealers in good so by first class mail or post discretion and with minurposes. Dealer shall on usively by the Dealer and its employees know with the same. Dealer so with the same of the System of the Dealer's own but the Dealer's o	entation. Access to tanding with the D ing announcement imum prior notice.  y reuse a record ob the Dealer's employedgeable regardinall have signed constem.	South Dakota title MV and for only th on the System. DA tained from the Sy oyees. The Dealer ng all laws and infidentiality

Date

Signature of Authorized Representative:



THE FOLLOWING INFORMATION IS NEEDED FOR YOUR DEALERSHIP TO OBTAIN ACCESS TO THE STATE'S DEALER ON-LINE COMPUTER SYSTEM.

PLEASE COMPLETE A SEPARATE FORM FOR EACH DEALERSHIP LOCATION UNLESS WISHING TO USE ONE LOG-IN.

#### PLEASE PRINT INFORMATION

Dealership Name:				
Dealership Name.				
Address		City	State	Zip
Contact Person Name	2	Co	ontact Phone	#
Dealership FEIN (if b Security Number may	pusiness is a sole proprietorship, an ow y be used):	ner's SD Drivers Lic	cense Number	r or Social
Dealer License Num	bers (list all dealer license numbers for	und at the above loca	tion):	
	locations wishing to utilize one log-in zing the system and the dealer name(s)			
Main dealership:				
Other locations:				
Person Completing F	'orm:			
	N	Signatur	PO.	
Date	Name	Signatu	re	



# MV-099 Revised 07/13

#### South Dakota Dealer License Plate Application

South Dakota Department of Revenue
Division of Motor Vehicles
445 E. Capitol Avenue | Pierre, SD 57501-3185 | 605-773-3541

Auto, Motorcycle, Trailer, Mobile/Manufactured Home, Snowmobile, Boat Dealers, and Auto Auction Agency - (SDCL32-6B-21, 32-6B-22, 32-6B-36.3, 32-6C-7, 32-7A-10, 32-7B-10) - Licensed dealers/auction agencies may apply for such license plates issued under a special numbering series established to identify such dealer/auction agency licenses upon payment of Include a \$5.00 fee for each plate or set of plates to be mailed; include a \$1.00 fee for each decal or set of decals to be mailed.

Applicant Information	
Name of Applicant	
Street Address	County
City, State, Zip Code	

#### Types of License Plates

For annual orders, indicate the number of plates in the Qty section and multiply that amount by the Annual Unit Price. Plate fees are based on the dealer's license renewal month.

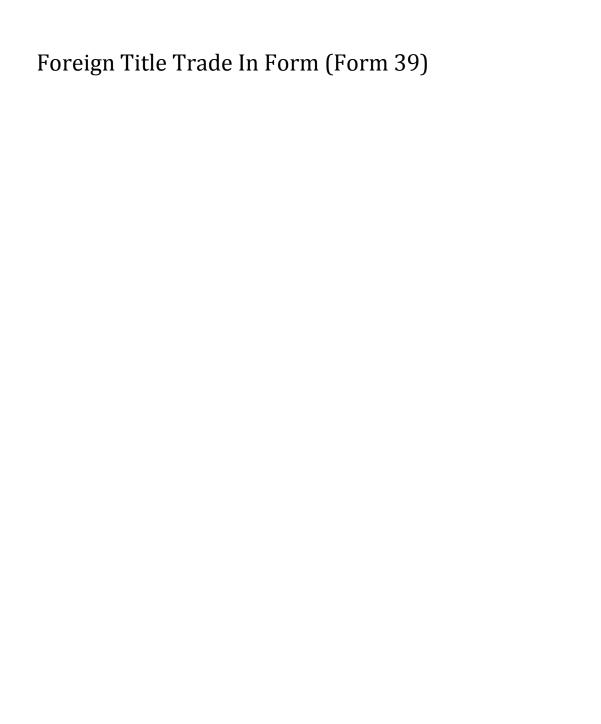
ORDER TYPE (PLEASE CHECK ONE)  MONTHLY  ANNUAL		Orders I Than A	011 2200			
PLATE NAME	PLATE QTY.	Number of Months	MONTHLY UNIT PRICE	Annual Unit Price	Mailing Fee per plate/decal/set	TOTAL
Dealer 77 License Plates			\$8.42	\$101.00	\$5.00	
Trailer License Plates			\$2.00	\$24.00	\$5.00	
Motorcycle License Plates			\$2.00	\$24.00	\$5.00	
Snowmobile License Plates			\$0.83	\$10.00	\$1.00	
Mobile/Manufactured Home License Plates			\$0.83	\$10.00	\$5.00	
Boat License Plates			\$1.67	\$20.00	\$1.00	
Auction License Plates			\$7.00	\$101.00	\$5.00	
Dealer 88 Commercial License Plates						
2 Ton, 1 - 4,000 lbs			\$7.08	\$85.00	\$5.00	
3 Ton, 4,001 - 6,000lbs			\$8.33	\$100.00	\$5.00	
4 Ton, 6,001 - 8,000lbs			\$9.58	\$115.00	\$5.00	
5 Ton, 8,001 - 10,000lbs			\$10.83	\$130.00	\$5.00	
6 Ton, 10,001 - 12,000lbs			\$12.50	\$150.00	\$5.00	
7 Ton, 12,001 - 14,000lbs			\$14.58	\$175.00	\$5.00	
8 Ton, 14,001 - 16,000lbs			\$16.67	\$200.00	\$5.00	
9 Ton, 16,001 - 18,000lbs			\$18.75	\$225.00	\$5.00	
10 Ton, 18,001 - 20,000lbs			\$20.83	\$250.00	\$5.00	
11 Ton, 20,001 - 22,000lbs			\$24.17	\$290.00	\$5.00	
12 Ton, 22,001 - 24,000lbs			\$27.50	\$330.00	\$5.00	
13 Ton, 24,001 - 26,000lbs			\$30.83	\$370.00	\$5.00	
Grand Tot	AL					

For Fee Schedule for additional tonnage/weight, please go online to: http://www.state.sd.us/drr2/motorvehicle/fee\_schedule/july/commercial\_fees.pdf

# Disclosure and Signature

l certify, for or as the applicant, that the above information is true and correct to the best of my knowledge and belief. I understand the conditions under which the license I have applied for is issued by the South Dakota Department of Revenue.

APPLICANT SIGNATURE DATE



# SD EForm - 1785 V1

MV-039 Revised 06/03	Foreign Title Trade In Form South Dakota Department of Revenue 445 E. Capitol Avenue   Pierre, SD 57501-3100   605-773-3541						
For use with Foreign (Out of State) Titles Traded in to a Licensed Dealer.							
Description of	Description of Foreign (Out of State) vehicle taken in trade:						
Make			Serial #	ŧ			
Model			Year				
Title #			License	: #			
Traded in on t	he followir	ng described car, tru	ıck, trail	er and motorcycle: (New-Used)			
Sold to			Make				
Serial #			Model				
Year			Title #				
		NOTICE T	O DEA	LERS			
To be attache				te) title and surrendered by purchas g for title and license.	er		
Date		,	Dealer				
Dealers Name							
Dealers Addres	s						
Dealers Signatu	re						

Temporary Permit Application

SD EForm - 1336 V5



# State of South Dakota

VALIDATION AND OFFICE USE ONLY

Division of Motor Vehicles 445 E. Capitol Avenue Pierre, SD 57501

605-773-3541 | http://dor.sd.gov/Motor\_Vehicles/

# Application for Temporary Manufacturer, Customizer, or Dealer Permit

Complete and submit this application to the South Dakota Division of Motor Vehicles with the applicable fees. For more details on specific permits, see Page 2.

Dealer Number: Address:    Email:	_	Manufacturer, C	ustomizer, or Dealer:			
Address:    City   City     Ci	A					
TYPE OF PERMIT REQUESTED  SSUE PERIOD  FEE  MOTOR VEHICLE MANUFACTURER — Display Only  MOTOR VEHICLE CUSTOMIZER — Display Only  MOTOR VEHICLE ONLY  MOTOR VEHICLE — Display Only  MOTOR OFF-ROAD VEHICLE MOTORCYCLE DEALER (USED) — Sell  MOTOR VEHICLE — Display Only  MOT		Owner's Name:		Email:		
TYPE OF PERMIT REQUESTED    SSUE PERIOD   FEE	Addres	ss:				
Permit Information				(City)		(State) (Zip)
MOTOR VEHICLE MANUFACTURER — Display Only  MOTOR VEHICLE CUSTOMIZER — Display Only  TRAILER MANUFACTURER — Display Only  TRAILER MANUFACTURER — Display Only  OFF-ROAD VEHICLE/MOTORCYCLE DEALER (NEW) — Sell  OFF-ROAD VEHICLE/S  (Permit can only be sold if motorcycles being sold are not franchised in South Dakota)  OFF-ROAD VEHICLE/MOTORCYCLE DEALER (USED) — Sell  OUT-OF-STATE BOAT AND BOAT TRAILER DEALER  (NEW OR USED) — Sell  TRAILER DEALER — Sell  MAKE OF TRAILER(S)  (Permit can only be sold if trailers being sold are not franchised in South Dakota)  TRAILER DEALER (NEW) — Display Only  TRAILER DEALER (NEW) — Display Only  UP TO 10 DAYS  \$250 if purchased prior to the event of the eve		TYPE C	OF PERMIT REQUESTED	ISS	UE PERIOD	<u>FEE</u>
TRAILER MANUFACTURER — Display Only  OFF-ROAD VEHICLE/MOTORCYCLE DEALER (NEW) — Sell  OFF-ROAD VEHICLE/MOTORCYCLE DEALER (USED) — Sell  OUT-OF-STATE BOAT AND BOAT TRAILER DEALER  (NEW OR USED) — Sell  TRAILER DEALER — Sell  MAKE OF TRAILER(S)  (Permit can only be sold if trailers being sold are not franchised in South Dakota)  TRAILER DEALER (NEW) — Display Only  TRAILER DEALER (NEW) — Display Only  TRAILER DEALER (NEW) — Display Only  TRAILER DEALER (CLASSIC VEHICLE OR CLASSIC  MOTORCYCLE) — AUCTION  Try I you are an out-of-state dealer, attach a copy of your out-of-state dealer license and an affidavit stating that you have no outstanding dealer violations.  Submit these documents to: South Dakota Division of Motor Vehicles - Dealer Licensing; 445 E. Capitol Avenue; Pierre, SD 57501-3185  NOTE: In the event a dealer is found to be in violation of any of the permit provisions, said dealer will be denied any requirements.		MOTOR	VEHICLE MANUFACTURER Display Only		UP TO 10 DAYS	\$250 if purchased prior to the event \$500 if purchased at or after the event
OFF-ROAD VEHICLE/MOTORCYCLE DEALER (NEW) Sell UP TO 10 DAYS  MAKE OF VEHICLE(S)  (Permit can only be sold if motorcycles being sold are not franchissed in South Dakota)  OFF-ROAD VEHICLE/MOTORCYCLE DEALER (USED) Sell UP TO 10 DAYS  S250 if purchased prior to the event a dealer is found to be in violation of any of the permit provisions, said dealer will be denied any requirements.		MOTOR	VEHICLE CUSTOMIZER Display Only		UP TO 10 DAYS	\$250 if purchased prior to the event \$500 if purchased at or after the event
MAKE OF VEHICLE(S)  (Permit can only be sold if motorcycles being sold are not franchised in South Dakota)  OFF-ROAD VEHICLE/MOTORCYCLE DEALER (USED) Sell  OUT-OF-STATE BOAT AND BOAT TRAILER DEALER (NEW OR USED) Sell  TRAILER DEALER Sell  MAKE OF TRAILER(S)  (Permit can only be sold if irrailers being sold are not franchised in South Dakota)  TRAILER DEALER (NEW) Display Only  TRAILER DEALER (NEW) Display Only  TRAILER DEALER (SUSED) TRAILERS ONLY  OUT OF STATE DEALER (CLASSIC VEHICLE OR CLASSIC  MOTORCYCLE) AUCTION  Requested Effective Date:  Fee Enclosed:  Fee Enclosed:  If you are an out-of-state dealer, attach a copy of your out-of-state dealer license and an affidavit stating that you have no outstanding dealer violations.  Submit these documents to: South Dakota Division of Motor Vehicles - Dealer Licensing; 445 E. Capitol Avenue; Pierre, SD 57501-3185  NOTE: In the event a dealer is found to be in violation of any of the permit provisions, said dealer will be denied any requirements to:		TRAILE	R MANUFACTURER Display Only		UP TO 10 DAYS	\$250 if purchased prior to the event \$500 if purchased at or after the event
OFF-ROAD VEHICLE/MOTORCYCLE DEALER (USED) Sell UP TO 10 DAYS \$250 if purchased prior to the event a dealer is found to be in violation of any of the Permit provisions, said dealer will be denied any requirements for many first provisions, said dealer will be denied any requirements for many first provisions, said dealer will be denied any requirements for many first provisions, said dealer will be denied any requirements for many first provisions, said dealer will be denied any requirements for many first provisions, said dealer will be denied any requirements for many first provisions, said dealer will be denied any requirements for many first provisions, said dealer will be denied any requirements for many first provisions, said dealer will be denied any requirements for many first provisions, said dealer will be denied any requirements for many first provisions, said dealer will be denied any requirements for many first provisions, said dealer will be denied any requirements for many first provisions, said dealer will be denied any requirements for many first provisions, said dealer will be denied any requirements for many first provisions, said dealer will be denied any requirements for many first provisions, said dealer will be denied any requirements for many first provisions, said dealer will be denied any requirements for many first provisions, said dealer will be denied any requirements for many first provisions, said dealer will be denied any requirements for many first provisions, said dealer will be denied any requirements for many first provisions, said dealer will be denied any requirements for many first provisions, said dealer will be denied any requirements for many first provisions, said dealer will be denied any requirements for many first provisions, said dealer will be denied any requirements for many first provisions.			AKE OF VEHICLE(S)			\$250 if purchased prior to the event \$500 if purchased at or after the ev
OUT-OF-STATE BOAT AND BOAT TRAILER DEALER  OUT-OF-STATE BOAT AND BOAT TRAILER DEALER  (NEW OR USED) - Sell  TRAILER DEALER - Sell  MAKE OF TRAILER(S)  (Permit can only be sold if trailers being sold are not franchised in South Dakota)  TRAILER DEALER (NEW) - Display Only  TRAILER DEALER SELLING USED TRAILERS ONLY  OUT OF STATE DEALER (CLASSIC VEHICLE OR CLASSIC AUCTION \$250 if purchased at or after the \$500 if						\$250 if purchased prior to the even
(NEW OR USED) Sell  TRAILER DEALER Sell  MAKE OF TRAILER(S)  (Permit can only be sold if trailers being sold are not franchissed in South Dakota)  TRAILER DEALER (NEW) Display Only  TRAILER DEALER SELLING USED TRAILERS ONLY  OUT OF STATE DEALER (CLASSIC VEHICLE OR CLASSIC AUCTION \$250 if purchased at or after the \$500 if purchased at o		OFF-ROA	AD VEHICLE/MOTORCYCLE DEALER (	U <b>SED)</b> Sell	UP TO 10 DAYS	\$500 if purchased at or after the ev
MAKE OF TRAILER(S)    Permit can only be sold if trailers being sold are not franchised in South Dakota)    TRAILER DEALER (NEW) Display Only				LER	UP TO 10 DAYS	\$200
MAKE OF TRAILER(S)    Permit can only be sold if trailers being sold are not franchised in South Dakota)    TRAILER DEALER (NEW) Display Only		TRAILER	DEALER Sell		UP TO 10 DAYS	\$250 if purchased prior to the even \$500 if purchased at or after the ev
TRAILER DEALER (NEW) Display Only  TRAILER DEALER SELLING USED TRAILERS ONLY  OUT OF STATE DEALER (CLASSIC VEHICLE OR CLASSIC  MOTORCYCLE) AUCTION  Requested Effective Date:  Event Information  If you are an out-of-state dealer, attach a copy of your out-of-state dealer license and an affidavit stating that you have no outstanding dealer violations.  Submit these documents to: South Dakota Division of Motor Vehicles - Dealer Licensing; 445 E. Capitol Avenue; Pierre, SD 57501-3185  NOTE: In the event a dealer is found to be in violation of any of the permit provisions, said dealer will be denied any requirements.  UP TO 10 DAYS \$250 if purchased prior to the event storate of the purchased at or after the storate of the purchased at or after the section in purchased at or a		MAKE O	F TRAILER(S)	eing sold are not fra	mchised in South Dakota,	
OUT OF STATE DEALER (CLASSIC VEHICLE OR CLASSIC  MOTORCYCLE) AUCTION  Requested Effective Date:  Event formation  Fee Enclosed:  Location:  If you are an out-of-state dealer, attach a copy of your out-of-state dealer license and an affidavit stating that you have no outstanding dealer violations.  Submit these documents to: South Dakota Division of Motor Vehicles - Dealer Licensing; 445 E. Capitol Avenue; Pierre, SD 57501-3185  NOTE: In the event a dealer is found to be in violation of any of the permit provisions, said dealer will be denied any requirements.		TRAILER				0050 if
MOTORCYCLE) AUCTION  Requested Effective Date:  Event:  Location:  Location:  If you are an out-of-state dealer, attach a copy of your out-of-state dealer license and an affidavit stating that you have no outstanding dealer violations.  Submit these documents to: South Dakota Division of Motor Vehicles - Dealer Licensing; 445 E. Capitol Avenue; Pierre, SD 57501-3185  NOTE: In the event a dealer is found to be in violation of any of the permit provisions, said dealer will be denied any requirement.		TRAILER	DEALER <b>SELLING USED</b> TRAILERS O	NLY	UP TO 10 DAYS	\$250 if purchased prior to the ever \$500 if purchased at or after the ever
Event formation  Event:  Location:  Location:  Location:  Location:  If you are an out-of-state dealer, attach a copy of your out-of-state dealer license and an affidavit stating that you have no outstanding dealer violations.  Submit these documents to: South Dakota Division of Motor Vehicles - Dealer Licensing; 445 E. Capitol Avenue; Pierre, SD 57501-3185  NOTE: In the event a dealer is found to be in violation of any of the permit provisions, said dealer will be denied any requirements.		_	,	CLASSIC	AUCTION	\$250 if purchased prior to the ever \$500 if purchased at or after the ever
If you are an out-of-state dealer, attach a copy of your out-of-state dealer license and an affidavit stating that you have no outstanding dealer violations.  Submit these documents to: South Dakota Division of Motor Vehicles - Dealer Licensing; 445 E. Capitol Avenue; Pierre, SD 57501-3185  NOTE: In the event a dealer is found to be in violation of any of the permit provisions, said dealer will be denied any requirements.	С	Requested Effe	ctive Date:		Fee Enclosed:	
If you are an out-of-state dealer, attach a copy of your out-of-state dealer license and an affidavit stating that you have no outstanding dealer violations.  Submit these documents to: South Dakota Division of Motor Vehicles - Dealer Licensing; 445 E. Capitol Avenue; Pierre, SD 57501-3185  NOTE: In the event a dealer is found to be in violation of any of the permit provisions, said dealer will be denied any requirements.		Event:		Locatio	n:	
for a temporary permit for a period of one year from the date of the violation.	t of State Dea	Aler have no outsta Submit these d Pierre, SD 575 NOTE: In the e	nding dealer violations. ocuments to: South Dakota Division of N 01-3185 vent a dealer is found to be in violation of	notor Vehicles -	- Dealer Licensing;	445 E. Capitol Avenue;
	Applicant	A U 41- NI-				
	Signature		me (Drint)		Annlicant's Signat	ure

#### SOUTH DAKOTA SPECIAL EVENT PERMIT

Businesses planning to display or sell vehicles at a Special Event in South Dakota are required to obtain a Special Event Permit from the South Dakota Department of Revenue Division of Motor Vehicles. This includes temporarily displaying passenger vehicles, motorcycles, off-road vehicles, trailers, campers, boats, or any other type of titled or MSO vehicle.

#### How much does a permit cost?

- \$250 if purchased before the event.
- \$500 if purchased during the event.

#### Displaying or Selling Motorcycles and Off-road vehicles?

- New or Used licensed South Dakota motorcycle and off-road vehicle dealers may sell or display motorcycles or
  off-road vehicles at a Special Event without a permit if it is held within the county they are licensed. They must
  notify the Dealer Licensing Office.
- Used motorcycle and off-road vehicle dealers must purchase a permit to display or sell at a Special Event if the
  event is outside of the county they are licensed.
- Out-of-State Motorcycle and off-road vehicle dealers must purchase a permit to sell new motorcycles or off-road vehicles as long as the make is not currently franchised in South Dakota.
  - If a South Dakota dealer has a franchise agreement for that make, a permit will not be issued. They will
    not be allowed to sell or display at the event.
- Motorcycle or off-road vehicle manufacturers or customizers must purchase a permit to display motorcycles or off-road vehicle they build or modify.
  - o This permit is for display only. Sales are not allowed at the event.

# **Displaying or Selling Trailers?**

- Licensed South Dakota Trailer Dealers may display and sell new and used trailers at any special event in the State of South Dakota without a permit.
- Trailer manufacturers and out-of-state New Trailer Dealers must purchase a permit to display trailers at a Special Event.
  - This permit is for display only. Sales are not allowed at the event.
- Out-of-State Used Trailer Dealers must purchase a permit to display or sell.

#### Displaying or Selling Cars, Trucks, and RV's?

- Licensed South Dakota Dealers may sell or display vehicles at a Special Event without a permit if it is held within
  the county they are licensed. They must notify the Dealer Licensing Office.
- Licensed South Dakota Dealers may sell or display truck tractors or motorhomes outside their county of license
  under the Temporary Special Events lot definition.
- Licensed South Dakota Dealers may sell and display at a public auction if the vehicle is 20 years old or older without an additional license or permit.
- Motor vehicle customizers must purchase a permit to display cars, trucks, and RV's they build or modify.
  - o This permit is for display only. Sales are not allowed at the event.

#### Out-of-State Boat and Boat Trailer Dealers (New or Used)

- Licensed Dealers may display and sell at a South Dakota event if the event lasts 2 or more days.
  - A dealer must fill out the Special Permits application 5 days prior to the event.
  - The event must be a sponsored event and have at least 3 licensed boat dealers attending and displaying boats.
  - o The fee is \$200.00.

#### **Out-of-State Dealers**

- To obtain a dealer permit: attach a copy of your out-of-state dealer license and an affidavit stating there are no
  outstanding dealer violations.
- SUBMIT TO: Division of Motor Vehicles Dealer Licensing; 445 E. Capitol Avenue; Pierre, SD 57501-3185

NOTE: In the event a dealer is found to be in violation of any of the permit provisions, said dealer will be denied any request for a temporary permit for a period of one year from the date of the violation.

45 Day Title Delivery Extension Request	

#### SD EForm - 2019 V3

Vehicle Description and Sale Information:

# REQUEST FOR 45-DAY TITLE DELIVERY EXTENSION

A request is being made within 50 days of the date of sale for an extension of the delivery of title to our retail customer for the below referenced vehicle. This extension is requested because the lienholder on the title has failed to release the lien or deliver the title document to our dealership. A copy of the lien release payoff verifying that payment has been made to the lienholder and the date the payoff was made must be attached.

Year:	Make:	M	Iodel:	
SD Title #:		Serial #:		
Date of Sale:				
Purchaser's Nan	me:			
Address:				
Telephone #:				
Lienholder Inf this problem):	ormation (please provide	e as much information	as possible so	we can assist you in resolving
Lienholder Nan	ne:			
Address:				
Telephone # &	Contact Person:			
Other Informati				
Dealership Info	ormation:			
Name and Deal	er #:			
Address:				
Telephone # &	Contact Person:			
Dealer Signatur	e/Date: Dealer/Authorized	Representative Signatu	ure	Date
For Office Use:				
approved _	denied DMV: Authorized	Representative Signature	ire	Date
MV:2011 12/16	FAX FORM T	O: DMV, ATTN: DEAL	ER LICENSING	. 605-773-2550

# Dealer Exit Audit

# SD EForm - 2076 V1

,	9	DMV DEALER EXIT AU	JDIT
Dealer Nai	ne and Number:		
Home Add	ress (Owner):		
Home Tele	phone Number (Ow	mer):	
Out-Of-Bu	siness (OB) Date:		
Remainin	g Inventory:		
Year	Make	(complete) VIN	SD Title Number
	on disposal of rem	se side of form or attach additional sheet in a side of upcoming inventory, (i.e., date of upcoming inventory will not be disposed	ng liquidation sale, etc.):
AUTHORI	on disposal of rem ZATION NEEDED I	aaining inventory, (i.e., date of upcoming inventory WILL NOT BE DISPOSED  e side of form or attach additional sheet if	ng liquidation sale, etc.):  OF WITHIN 14 DAYS OF OB DA
AUTHORI	on disposal of rem ZATION NEEDED I	aaining inventory, (i.e., date of upcomin	ng liquidation sale, etc.):  OF WITHIN 14 DAYS OF OB DA

I attest that all vehicle sales have been completed and titles delivered; that sales records will be retained and available for 5 years from OB date; that any vehicle(s) being titled in my personal name cannot be offered for sale and will only be used for my personal use; and that I am responsible for payment of any remaining balance on my dealer on-line computer account.

Dealer Signature Date

# Dealer Report of Sale



#### State of South Dakota

Motor Vehicle Division 445 E. Capitol Avenue Pierre, SD 57501 VALIDATION AND OFFICE USE ONLY

F: 605-773-2550 | P: 605-773-3541 | http://dor.sd.gov/Motor\_Vehicles/

SDAR 61:24:03:12, SDAR 61:24:03:14

	A		
Instr	uc	tio	ns

Dealers authorized by the Motor Vehicle Division to opt out of the online computer system must file this form, along with a \$5 service fee, with the new purchaser's county treasurer within 15 days of the date of sale of the vehicle.

	treasurer within 15 days of the da	ite of sal	e of the vehicle.				
B Vehicle Information	Vehicle Identification Number  Make Year		Selling Price	SD Title Numb	er Sale (MM/DD/Y	YYY)	
C Purchaser Information	Purchaser's Name		SD DL#, SSN/ FEI	N	County		
	Street	City		State	Zip		
D Certification/ Signature	This statement is made with the keep report of sale within the fifteen da				pplication or f	ile the	
olghatale	Dealership's Name			Dealership's	License Numbe	r	
	Dealership's Address: Street C			State	Zip		
	Signature Date (MM/DD/YYYY)						

SD Department of Revenue Division of Motor Vehicles MV-011 Revised 12/16

# DOR Forms website

http://dor.sd.gov/Motor Vehicles/Forms/default.aspx